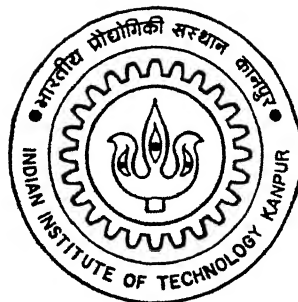


# Organizational Culture : A Determinant Of Performance

by

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INDIAN INSTITUTE OF TECHNOLOGY KANPUR

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# Organizational Culture : A Determinant Of Performance

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Master of Technology

by  
*Pushpesh Raman Tripathi*

to the  
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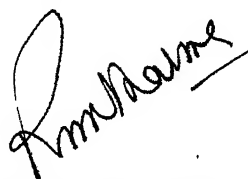
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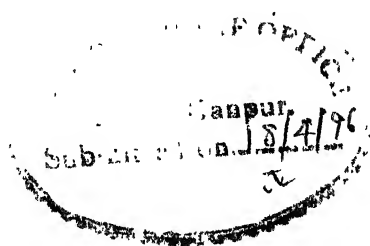
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Signature of Supervisor

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April, 1996





## SYNOPSIS

The last few years have seen a tremendous upheaval in corporate sector. The success of several till now unknown enterprises and failure of several giant corporation have shocked many. The most contentious topic in the present corporate sector discussions is that, whether the culture prevailing in the organization is one of the factors for success or failures of these corporations. A lot many studies were done in the past few years to find the relation between the culture and the performance of an enterprise and, the results are really encouraging.

The pre-eminence of management in a brutally competitive world is recognized. We cannot, however graft management models and practices from other countries to tackle culture-specific problems. We shall have to discover our own management system that suits Indian psyche.

The behavioral determinants, trust, distrust, and leadership are important and critical, as this study brings out, in defining corporate culture and in turn affecting the organizational performance. Each enterprise can thus use its culture data for determining the causes of its success and failures. The Indian experience is all the more interesting because it combines a variety of structures, more particularly the coexistence of state owned enterprises, central government owned enterprises and private sector enterprises.

## ACKNOWLEDGEMENT

I find myself at loss of words to express my gratitude to the persons who made my stay at the institute so memorable and a thing to cherish throughout my life. Dr. R. R. K. Sharma is to me more than a mere thesis supervisor. I feel deeply indebted and would like to express my gratitude to him for his enthusiastic guidance, flexible approach and inspiring support through out the courses of this thesis work.

I am thankful to the employees and staff of Uttar Pradesh State Electricity Board, and National Thermal Power Corporation, who gave me their valuable time and information required, without which this study would not have been possible. Special thanks are due to Mr. S. K. Kapa, Mr. Anurag Ravi, and Mr. Mehrotra.

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Special thanks are due to Mahendra, Santosh Kr. Mall, Avi, Gopal Krishna, and Vishnu Kant who made my life at hostel a real memorable lot. The sweet memories of time spent with them will linger in the lanes of memories throughout my life.

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# 1. INTRODUCTION

Managerial behavior to a large extent shapes the culture of an organization and in turn has influence upon its effectiveness. Drucker (1975) relates management with culture, people and performance. He observed, “while management is a discipline that is, an organized body of knowledge and as such applicable everywhere - it is also a “culture”. It is not a value free science.”

Management is a social function and embedded in a culture, a society, a tradition of values, customs and beliefs. Management is, and should be, culture conditioned, but, in turn, management and managers shape culture and society. - Management is also people. Every achievement of management is the achievement of a manager. Every failure is a failure of a manager. The success and failure of a manager in a organization greatly depends on the culture prevailing in that organization. The management practices which are highly productive for one organization may become counter-productive for another organization because of difference in culture prevailing in two organizations. Culture of an organization helps in good implementation of organizational chosen strategies.

## **1.1 Functions of Culture**

Culture performs a number of tasks within an organization. First, it has a boundary-defining role, i.e., it creates distinction between one organization and others. Second, it conveys a sense of identity for organization members. Third, culture facilitates the generation of commitment to larger than one's individual self-interest. Fourth, it enhances social system stability. Culture is the social glue that helps hold the

organization together by providing appropriate standards for what employee should say and do. Finally, culture serves as a sense of making and controlling mechanism that guides and shapes the attitude and behavior of employee (Stanley, 1984).

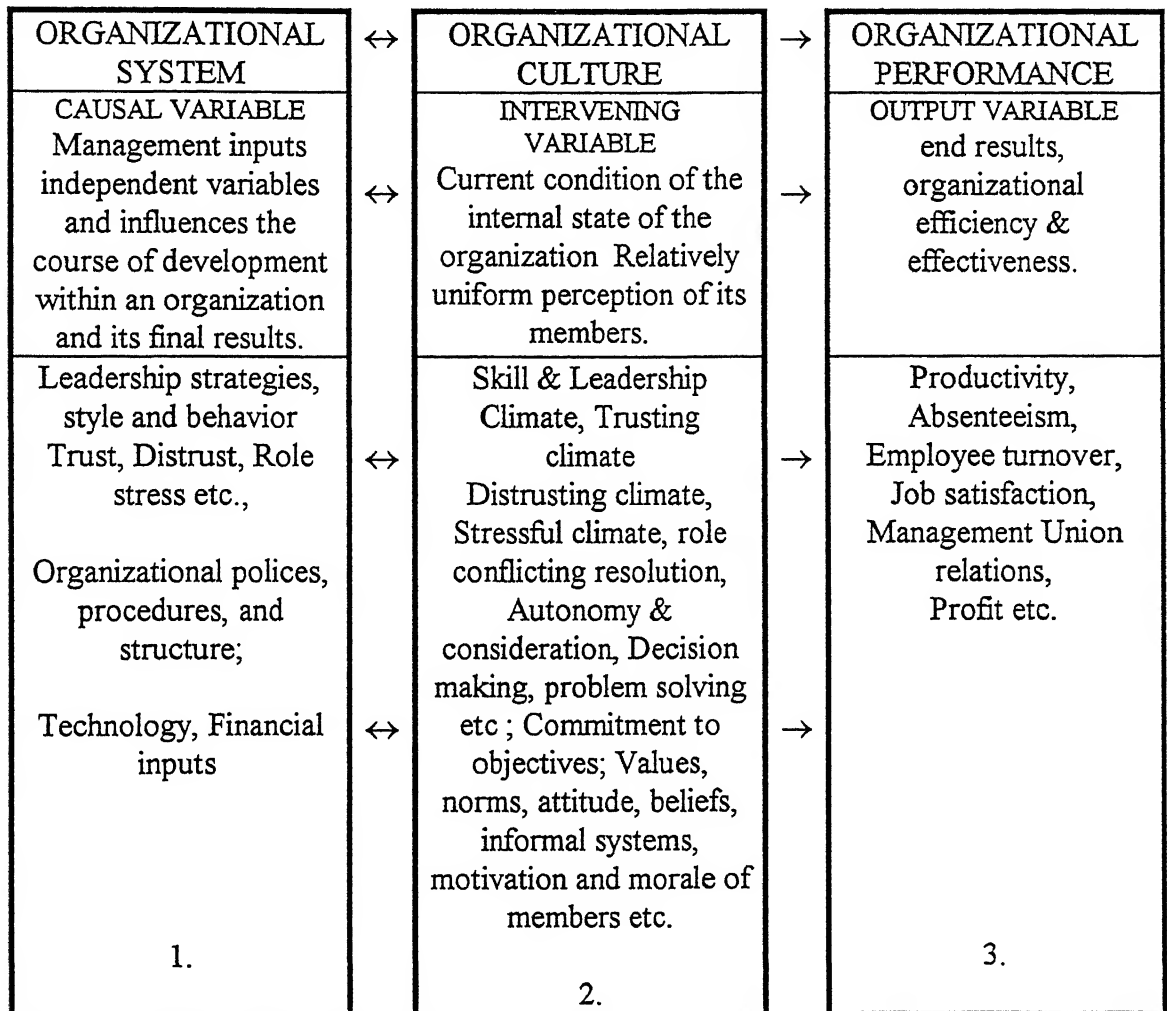
### **1.2 Management of Organizational Culture**

Strategic changes in modern world is viewed as a complex human process in which differential perception, quest for efficiency and power, visionary leadership skills, the vicariousness of chance, and subtle process of additively building up a momentum of support for change, and then vigorously implementing change, all play their part. Corporate culture according to Pettitgrew(1979) is understood as phenomenon which exists at a variety of different levels. At the deepest level, culture is thought as the complex set of values, beliefs, and assumptions that defines the way in which a company conducts its business. Such core beliefs and assumptions are, of course, manifested in the structure, systems, symbols, myths and pattern of reward inside the organization. It is rather easier to adjust the manifestation of culture than to change than core values, beliefs and assumptions within the organization. However, any practical strategy for changing corporate culture has to involve thought and action both at the level of core beliefs, and of the cultural manifestation of core values.

### **1.3 Organizational Culture, System and Performance**

Organizational culture can be explained and measured with the reference to a model given in the figure given below(Agrawal, 1978), which provides relationship between organizational system, culture and performance. This figure depicts organizational culture as an intersecting variable. Employees form an overall subjective perception of the organization based on such facts as degree of group emphasis, support of people, mutual trust, risk tolerance, management's willingness to

tolerate conflict, role ambiguity etc. This overall perception becomes, in effect the organization culture or personality. this favorable or unfavorable perceptions then affect employee performance and satisfaction, with the impact being greater for stronger culture.



(1 & 2 are also interdependent and interactive.)

Fig. : Relationship between Organizational System, Organizational Culture, and Organizational Performance

There are three variables - causal, intervening, and end-result - which explains the phenomenon of organizational effectiveness over time. Causal variables are those that influence the course of development within an organization and its results or accomplishments These variables are those independent variables that can be

altered or changed by the organization and its management, and do not involve variables beyond the control of the organization like business environment. Leadership strategies skills, and behavior, management's devices and the policies and structure of the organization are examples of causal variables which affect the human resources or intervening variables representing internal state of the organization. Internal variables are reflected in the commitment to objectives, motivation, and morale of members and their skills in leadership, communications, conflict resolution, decision making, and problem solving. Output or end result variables are the dependent variables that reflect the achievement of the organization, for example, production, sales, profit, turnover, absenteeism, etc. The relationship between these three classes of variables are of stimuli (causal variable) acting upon organization (intervening variable) and creating certain responses (output variable).

#### **1.4 Determinants of Organizational Performance**

High level organizational performance is possible through effective utilization of its total resources. In broader terms, resources can be described as human, technological and capital and performance in terms of productivity and satisfaction of people. Integration of these resources are done by people who are engaged for accomplishment of organizational goals. Organization takes in raw material, people, information and energy from its environment and converts them into products and services that are exported to environment. therefore there is interaction of people, technology and also environment. People form organizations as they have learnt to fulfill their needs more effectively in a group rather than as individuals. More specifically, they organize to attain division of labor and specialization of efforts, because this leads to enhanced proficiency which, in turn, results in greater



productivity than individual effort can ever provide. Thus, an organization is a means to achieve mutual goals more effectively(Robbinson,1963)

General factors affecting the productivity of organization includes factor proportions, rate of technical progress, managerial ability, performance and the capacity and performance of workers. Firstly, the basic factors of production such as land, labor and capital is required in suitable proportion to increase productivity Secondly, rate of technical progress which relates to rate of development of new products, processes and equipment is associated with high productivity. Thirdly, managerial ability and performance are of utmost significance from standpoint of productivity. Finally, capacity and performance of workers form a factor in productivity.

#### 1.4.1 'Trust' as a Determinant of Organizational Performance

Trusting behavior is very important factor towards organization and achieving organizational goals It was shown by Likert(1967) that productivity of departments with high group loyalty, which is one of the dimensions of "trust" concept, exceeds the productivity of departments with low group loyalty by enormous 77 %. Dwivedi(1980) found that trust explained 34 per cent of positive variance in production and distrust 40 per cent of negative variance in it. Similarly, the study revealed variance in restraining behavior, namely, turnover, absenteeism and tardiness. Apart from affecting performance at organizational level trust has been found to be associated with individual performance too. It has been found that the performance of a managerial team is function of mutual trust and open communication and is prerequisite to group loyalty (Wilkins,1974).

#### 1.4.2 Leadership as a Determinant of Organizational Performance

“There can be no question that an organization’s success and failure, - indeed its very survival - depends in large part on the leadership it is able to attract”, observed Fiedler(1947) The successful organization has one major attribute that sets it apart from unsuccessful organizations - dynamic and effective leadership. Business leaders are basic and scarcest resource of any business enterprise.

#### 1.4.3 Relationship among Organizational Culture, Trust-Distrust, and Leadership

Organizational culture is dependent on managerial behavior and leaders’ role and leadership is one of the most important determinant of organizational performance. Leadership is a crucial variable in organizational culture and effectiveness. It determines the course of developments within the organization and its accomplishments. It is one of those independent variables that can be changed by the organization and management. Trust is intimately related to culture and leadership. Mutual trust, support, and respect form the most effective motivational device embodied in team-based style. It has been found that exploitative and authoritative style, characterized by a lack of confidence and trust, may produce high productivity initially because of pressure tactics; however, it caused low productivity, high rates of absence and turnover and low earnings in the long run. On the other hand group practicing the participative style was associated with effective organizational performance both in terms of both productivity and satisfaction.

Disagreement between the leaders and their superiors in definition of the leader’s role is potent source of conflict. Contradictory demands made by the same or different sub-group or subordinates are also source of such conflicts. Complexity of conflicting demands, in addition to the extent to which the leader is able to fulfill these

expectations, tend to determine the degree to which groups legitimize the leadership role and hence leader's effectiveness in improving organizational performance which in turn depends on organizational culture.

Thus it is seen that the nature of leadership, behavioral factors like trust and distrust along with organizational culture; and group performance are intimately related to each other. But the relation between these different aspects of group life are excessively complex in real life. In our present study we will try to consider only the "culture" of the organization and its affect on the "performance".

In the second chapter of this study we will take up the literature survey, relevant to our study, so that the problem chosen for study, whether culture affects the organizational performance, can be seen in a context. In the third chapter the scope of problem chosen for study is defined. In the fourth chapter a brief overview of the various methods for the data collection is given. In the fifth chapter, the case studies about the two organizations chosen for study viz., National Thermal Power Corporation and Uttar Pradesh State Electricity Board, is given. In the sixth chapter the discussion of results is done, and in the ensuing chapter the conclusions are given.

## 2. LITERATURE SURVEY

The idea of viewing organizations as cultures - where there is a system of shared meanings among members is a relatively recent phenomenon . Earlier organizations were thought of as a rational means by which to co-ordinate and control a group of people , but modern organizational theorists have started recognizing the important role that culture plays in the lives of organization members (Robbins,1987).

### 2.1 Concepts Of Organizational Culture

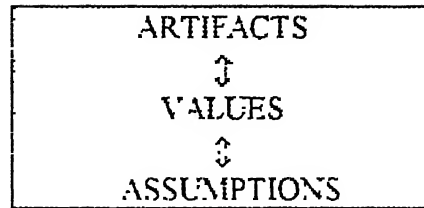
The cultural concept in organizational theory has been borrowed from anthropology , where there is no consensus on its meaning . Different theorists have given different definitions to culture , highlighting one aspect or the other but not the culture as whole . The linking of culture and organization is the intersection of two sets of images of order : those associated with organization and those associated with culture . (Simrich,1983)

### 2.2 Intersection of Culture theory & Organization theory

<u>Concept of “culture” from Anthropology</u>	<u>Theme in Organizational Management</u>	<u>Concept of “organization” from Organizational theory</u>
Culture is an instrument serving human psychological needs e.g. Malinowski's functionalism.	Cross culture or comparative management.	Organizations are social instruments for task accomplishment e.g. Classical management theory.

Culture functions as an adaptive - regulatory mechanism. It unites individuals into social structure e.g. Radcliff-Brown's functionalism.	Corporate culture.	Organizations are adaptive organisms existing by process of exchange with the environment e.g. Contingency theory.
Culture is a system of shared cognitions. The human mind generates culture by a means of a finite no. of rules e.g. Goodnough's ethnoscience.	Organizational cognition .	Organizations are systems of knowledge "Organization" rests in the network of subjective meanings that organization members share to varying degree, and appears to function in a rule-like manner e.g. Cognitive theory.
Culture is a system of shared symbols of meanings. Symbolic action needs to be interpreted, read & deciphered in order to be understood e.g. Geertz's anthropology.	Organizational Symbolism.	Organizations are pattern of symbolic discourse. 'Organization' is maintained through symbolic modes such as language that facilitates shared meanings and realities.
Culture is a projection of mind's universal unconscious infrastructure e.g. Levi-Struss's structuralism.	Unconscious process & organization .	Organizational forms and practices are the manifestation of unconscious process e.g. Transformational theory

According to Schein(1982), culture exists simultaneously on three levels : On the surface are the artifacts , underneath artifacts lie values , and at the core are the basic assumptions .



Assumptions represent taken for granted beliefs about reality and human nature. Values are social principles , philosophies, goals and standards considered to have intrinsic worth. Artifacts are the visible , tangible and audible results of activity grounded in values and assumptions In Schein's(1982) words culture is :-

“..the pattern of basic assumptions that a given group has invented , discovered in learning to cope with the problems of external adaptation and internal integration , and that have worked well enough to be considered valid , and , therefore to be taught to new members as the correct way to perceive , think and feel in relation to these problems”.

Broadly , organizational culture can be defined as a complex set of values, beliefs, assumptions, language, rituals, symbols, identity, attitude and norms that defines the way in which a firm conducts its business. In this sense , culture has pervasive effect on a firm because a firms culture not only defines who its relevant employees, customers, suppliers, and competitors are, but it also defines how a firm will interact with these key actors (Louis,1983).

The definition of symbol used here is derived from anthropology. “ Symbols are objects, acts, relationships, organizations linguistic formation that stands ambiguously for a multiplicity of meanings, evoke emotions and impel men to action”.(Cohen, 1974). Symbol construction serves as a vehicle for group and

organizational conception. As a group or organization at birth represents its situation to itself and to outside world it emphasizes, distorts, ignores and thereby attaches names and values to its structures, activities, purposes, and even the physical fabric around it. The symbols that arise out of these processes - the organization's lexicon , the design of the organization's building, the belief about the use and distribution of power and privileges, the rituals and myths which legitimate those distributions - have significant functional consequence for the organization.

Another aspect of organizational culture is language which with its immense variety and complexity, can typify and stabilize experience and integrate those experiences into a meaningful whole (Luckman, 1966) Words are parts of action. Socially built and maintained, language embodies explicit exhortation and social evaluation. By acquiring the categories of a language one acquires the structured "ways" of a group and along with the language, the value implications of those "ways".

Ideologies and their component systems of belief are also widely accepted to have action impelling qualities. According to Wilson(1973) "An ideology is a set of beliefs about the social world and how it operates , containing statements about the rightness of certain social arrangements and what action would be undertaken in the light of these statements." Ideologies can play a significant role in the process of organizational creation because they have the potential to link attitude and action. The potency of organizational ideologies not only depend on the social context in which they function and how they are created and by whom, but also how they are maintained and kept alive.

The concept of ritual and myth tend to have implicit definitions in everyday use which trivialize their potential values as analytical tools. Rituals, for

example, is some times understood as merely repetitive sequence devoid of meaning , to be actors in the rituals and myths is often thought as false belief. Bocock(1974) defines ritual as “the symbolic use of bodily movements and gestures in a social situation to express and articulate meaning “. Thus the crucial question about ritual’s role is not what does it do but what does it say. It says about the central or peripheral values, the dominant or marginal people, the highly prized or less important goals and activities of this and that organization.

Just as ritual may provide a shared experience of belonging and, express and reinforce what is valued, so myths also plays its crucial role in the continuous process of establishing and maintaining what is legitimate and that which is labeled unacceptable in a organizational culture. Myths contain a narrative of events often with a sacred quality which explores in a dramatic fashion issues of origin and transformation. In doing so they anchor the present to the past, after explanation and, therefore legitimacy for social practices and contain levels of meanings that deal simultaneously with the socially and psychologically significant in any culture.

Beliefs are the basic assumptions concerning the world and how it works.

Identity includes the understanding that members share regarding who they are and what they stand for as an organization.

Image is the organization’s identity as understood by members of another organization.

Attitudes are the set of understandings that members of an organization share about a specific object or situation.



Norms are the standards of expected behavior, speech and 'presentation of self' - that is, being on time, disagreeing politely, dressing conservatively.

The concept of symbols, language, norms, attitude, rituals, myths, beliefs, values and identity are to a varying degree interdependent and there is some convergence in the way they relate to functional problems of integration, control and commitment. These concepts direct attention towards mobilization of consciousness and purpose, the codification of meaning, the emergence of normative patterns, the rise and fall of system of leadership and strategies of legitimization.

Culture is usually thought of something long-term and strategic. It is very difficult to change. Culture is rooted in deeply held beliefs and values in which individuals hold a substantial investment as the result of some processing or analysis of data about organizational life ( these beliefs are manifestation of culture , not the culture itself ). These beliefs and values create situational norms that are evidenced in observable behavior. This behavior then becomes the basis for the formation of beliefs and values out of which norms flow. This closed circuit of cultural development accounts for much of the tenacity that organizational culture exhibits. In most groups, individuals who violate these cultural norms are pressurized to conform and may be ostracized unless norms change to accommodate those who deviate from them.

Culture reflects what has worked in past. Anthropologist C.S. Ford has described culture as "composed of responses which have been accepted because they have met with success" The choice of top managers reflect their views in reality - the values, beliefs, and norms that served them and their company well during their own rise to power. It is their choice that continually reaffirms the corporation's culture and reinforce the expected behavior across the organization (Schwartz and Davis,1981).

### **2.3 Sub-culture and Counter-culture**

Modern day large organizations with different parts having geographical separation and multiple department have several sub-cultures along with the core dominant culture. A dominant culture expresses, through artifacts, core values that are shared by majority of the organization's member. Sub-culture tend to develop in order to reflect common problems, situations, core values, experiences that members face. The sub-culture includes the core values additional to the unique values of that sub-culture.

At least three types of sub-cultures have been conceived :- enhancing, orthogonal and counter-culture (Martin and Siehl, 1983). An enhancing sub-culture would exist in an organizational enclave in which adherence to the core values of the dominant culture would be more fervent than in the rest of the organization. In an orthogonal culture, the members would accept the core values of the dominant culture and a separate, un-conflicting set of values particular to them.

The third type of culture is counter-culture which has some core values presenting direct challenge to the core values of the dominant culture. Thus a dominant culture and a counter-culture exist in an uneasy symbiosis, taking opposite positions on value issues that are critically important to each of them. Some artifacts from a counter-culture ridicule a sub-set of the dominant culture's values, while other counter-culture artifacts will express support for an alternative set of values (Martin and Siehl, 1983).

Ruth Love's discussion of the absorption of the protest suggests the types of organizational conditions that are likely to give rise to counter-culture. She posits that organizations that are strongly centralized, but permit a decentralized

diffusion of power, are likely to spawn what she terms a “ non-conforming enclave”. An organizational member challenges some aspect of the dominant culture. If the challenger is a charismatic leader, Love proposes that the organization will absorb the potential for protest by giving the charismatic person limited powers, some formal structural autonomy, and a tacit mandate to gather followers and create a non-conforming enclave. This strategy has advantage from the dominant coalition’s point of view. If the enclave functions innovatively, within the institution’s latitude of tolerance, the institution benefits. If not , the institution has isolated the deviances. The structural autonomy serves as a boundary, defining the limits of acceptable behavior and possibly making the unwanted enclave easier to destroy.

## **2.4 Strength of culture**

Culture has a powerful influence on organizational behavior because the shared beliefs and values represent basic assumptions and preferences that guide such behavior. But not all cultures have an equally strong influence on behavior. The following conditions make a difference. First, cultures with more shared values and beliefs have a stronger influence on behavior because there are more basic assumptions guiding behavior. “Thick” cultures have several deeply held beliefs and values but, on the other hand “thin” cultures have few such shared assumptions, and a weaker influence on organizational life. Second, cultures whose values and beliefs are more widely shared have a more pervasive effect because a larger group of people are guided by them.

Finally, cultures whose values and beliefs are more ordered (i.e., where the relative importance of basic assumptions are well known) have a more profound effect on behavior because there is less ambiguity about which beliefs and values

prevail when there is a conflict (Sathe, 1983). Thicker, more widely shared, and more ordered cultures have a more profound influence on organizational behavior, and are therefore referred to as “stronger” culture.

The members of employees in the organization and their geographical dispersion are two important factors that determine the strength of a culture. All other things being equal, small operations that are more localized facilitate the growth of a stronger culture because it is easier for shared values and beliefs to become widely shared. Larger organizations with worldwide operation can also have a strong culture, if there has been a continuity of strong leadership that has emphasized the same beliefs and values , and a relatively stable and long-tenured workforce. Under these conditions, there is time for a consistent set of values and beliefs to take hold and become widely shared and more clearly ordered.

## **2.5 Creating and Sustaining Culture**

An organization presents beliefs, norms, customs, traditions, and general way of doing things are largely due to what has worked in the past . Thus the ultimate source of an organization’s culture are its founders.

The founders, unconstrained by previous customs and ideologies had a vision of what the organization should be and have major impact on the organization’s early culture. The impact of founders on organizational culture is noticeable because the large organization develop from their smaller ancestor which are in fact influenced by the earlier culture. The organization inherits the culture from their ancestors and take steps to preserve them.

The various ways of sustaining culture are :-

2.5.1 Selection :- The basic aim of any selection process is to hire the best brain i.e. The candidates who have knowledge, skills and abilities to perform the jobs within the organization successfully. But in case of tie the interviewer selects the candidate on analyzing how well the candidate will fit into the organization. Selection process gives information to the candidate about the organization, thus, the selection process is a two way street, allowing employees or employer to disengage the alliance if there appears to be a mis-match. In this way, the selection process sustains an organization's culture by selecting out those individuals who might attack or undermine its core value.

2.5.2 Socialization:- The selection process in itself is not able to introduce individuals fully about the organizational culture. The new employee being unfamiliar with the culture prevailing are likely to disturb the values and beliefs that are in place. The organization, thus, just after recruitment start socialization program to help employees adapt to the prevailing culture.

Socialization can be conceptualized as a process made up of three stages :- pre-arrival, encounter and metamorphosis (Maanen,1972). The first stage includes all the learning that occurs before a new member joins the organization. In the second stage, the new members see what the organization is really like and confronts the possibility that expectations and reality may diverge. In the third stage, the relatively long-lasting changes take place. The new employee masters the skills required for his job, successfully performs his new role and make adjustment to his work group's values and beliefs. The three-stage process impacts on the new

employee's work productivity, commitment to the organization's objectives, and eventual decision to stay with the organization.

2.5.3 Top-management :- The actions beliefs, values, language etc. of the senior executives establishes norms that filters down through the organization as to whether risk-taking is desirable; how much freedom managers should give their subordinates; what is appropriate dress; what actions will pay off in terms of pay raises, promotions, and other rewards etc

## **2.6 Culture :An Asset**

Culture is both an asset and liability. It is an asset because shared beliefs ease and economize communications and shared values generate higher level of cooperation and commitment than is otherwise possible. Culture can be viewed as an asset when it is in tune with the organizational goals and strategy, and aims for excellence of the organization as a whole. Study of culture and its view as an asset is an important issue in strategy implementation.

To study the affect of culture on efficiency the five basic processes - communication, cooperation, commitment, decision making and implementation can be analyzed.

2.6.1 Communication :- Mis-communication is common in the organizations. It becomes more complex when one organizational member tries to communicate with someone in a different organizational unit or location.

Although culture doesn't do away with the basic difficulty, it reduces the danger of miscommunication as there is no need to communicate items about which shared beliefs and values exists i.e. certain things can go without saying.

Secondly , such sharing provides guidelines and cues to help the receiver interpret messages.

The beliefs and values about what to communicate, and how openly to communicate are crucial. In some organizations, the culture values open communication while in other, it doesn't.

2.6.2 Co-operation :- Assuming that communications are interpreted as intended the employees are intended to act according to the “spirit of law “ i.e. in true co-operation rather than the “letter of law “ which is worse than no co-operation. The effect of adhering to the literal wordings of a contract can be as devastating as an open violation of the contract - if not more , because it will create bottlenecks and slowdowns.

Interpreting the spirit of law is a problem of communication. Acting according to the spirit of law is a question of intent, goodwill and mutual trust. The degree of true co-operation is influenced by the shared values and beliefs and values in these areas.

2.6.3 Commitment :- People feel a sense of commitment to an organizations objective when they identify with those objectives and experience, some emotional attachment to them. The shared beliefs and values that compose culture help generate such identification and attachment. In making decisions and taking actions, people who feel a sense of commitment automatically evaluate alternatives in terms of their impact on the organization.

2.6.4 Decision Making :- Culture affects the decision making process because shared beliefs and values give organizational members a consistent set of basic assumptions and preferences. This leads to a more efficient decision making process, because there are fewer dis-agreements about which premises should prevail. This doesn't mean that

there is necessarily less conflict in a strong culture than in a weak culture. Conflict in a organization will depend on the shared beliefs and values about the role of conflict in organizational life. Where constructive dissent is a shared value , for instance, there will be greater conflict than where this is not a shared value - all other things remain the same. All this implies that there are fewer areas of dis-agreement in a stronger culture because of the greater sharing of beliefs and values and that it makes the organization efficient.

2.6.5 Implementation :- One of the difficulties commonly encountered when implementing organizational policies is the actions when unforeseen difficulties arise. There are times when immediate action is called for in a more or less ambiguous situation where it is not possible to check with others concerning the appropriate response. Under these conditions, culture is a compass that helps point people in the right direction.

## **2.7 Culture : An Liability**

In earlier topic the culture was taken to be an asset, as cause for improving the efficiency. Efficiency, however, doesn't imply effectiveness. Efficiency is achieved when something is done with minimum expenditure of resources ( time, money and so forth). The extent to which the something being done is the appropriate thing to do is a question of effectiveness. If culture guides behavior in inappropriate ways, we have efficiency but not effectiveness. Culture is a liability when the shared beliefs and values are not in keeping with the needs of the organization, its members, and its other constituencies. This is more likely to occur when organization's environment is dynamic. When the environment is undergoing rapid changes, the organization's entrenched culture may no longer be appropriate. So consistency in



behavior is an asset to the organization when it faces stable environment. It may, however, burden the organization and make it difficult to respond to changes in the environment.

Culture is capable of blunting or significantly altering the intended impact of even well-thought-out changes in an organization. A lack of fit between culture and planned changes in other aspects may result in the failure of a new measure to take hold.

## **2.8 Climate of an Organization**

Many large corporations periodically undertake climate survey to “take the temperature” of their organization. Climate is a measure of whether people’s expectations about what it should be like to work in the organization are met. Measurement of climate can be helpful in pinpointing the cause of poor employee motivation, such as unclear organizational goals, dissatisfaction with compensation, inadequate advancement opportunity, or biased promotion practices (Schwartz, Davis, 1981). Action to address these sources of dissatisfaction tend to improve motivation. Improved motivation ought to result in improved performance, and by and large the evidence suggests that it does.

Culture is a pattern of beliefs and values shared by the organization’s members. These beliefs and values produce norms that powerfully shape the behavior of individuals and groups in the organization. So while climate measures whether expectations are being met, culture is concerned with the nature of these expectations themselves.

The climate in fact measures whether the employee’s own view of life and values fit with the prevailing and dominant management practices and culture. If

they are not, the climate is poor ; and motivation and presumably performance suffer. While climate is often transitory, tactical, and manageable over the relatively short term, culture is usually long term and strategic.

## **2.9 The Cultural Audit**

In order to take strategic decision the culture should be taken into account otherwise the changes introduced may be fraught with peril. The organizations must give serious alternative to their culture when they confront following kind of conditions :-

- Diversification opportunity.
- Change in competitive strategy.
- Rapid growth.
- Serious conflicts between groups in the organization.
- Retrenchment.

In order to decipher a culture , one cannot simply rely on what people say about it. Other evidences, both historical and current must be taken into account to infer what the culture is. Reading a culture is an interpretive , subjective activity. There are no exact answers, and so observer may come up with somewhat different description of the same culture.

An organization's culture can also be described by its management in terms of the way their tasks are typically handled in the context of key relationship(Fig. given). Then, once culture and the other organizational dimensions have been defined in similar terms, their compatibility can be systematically assessed.

In fig. each of the line is to be filled in to describe how a particular task is handled in context of a particular relationship. The table serves as a checklist and a

way to spot interaction between the cultural characteristics of each level of relationship and between the various managerial tasks. The richness of analysis is particularly useful for identifying the underlying pattern that must be understood in seeking the means to manage around it (Schwartz, Davis, 1981).

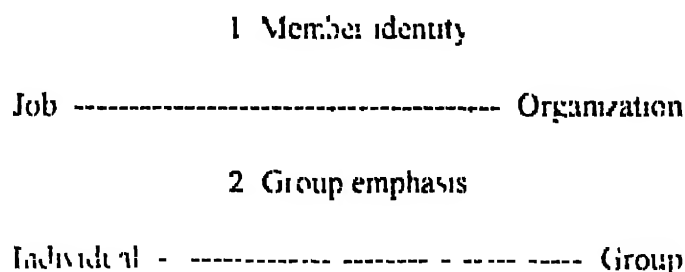
<u>Relationship→</u> <u>Task</u> ↓	Companywide	Boss- subordinate	Peer	Inter- department
Innovating				
Decision making				
Communicating				
Organizing				
Monitoring				
Appraising & Rewarding				

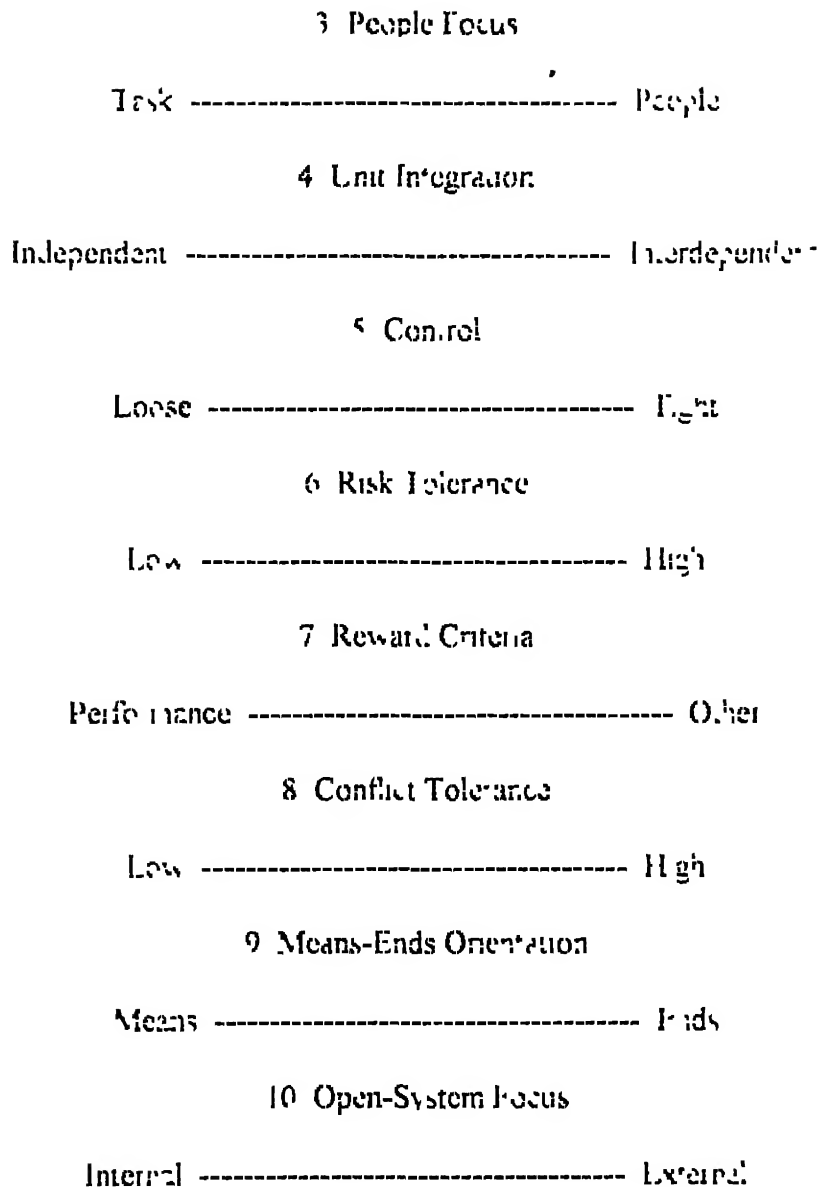
Recent research suggests that there are ten primary characteristic that in aggregate, capture the essence of organization's culture. ( Hopstede and Neuijian, 1991).

- *Member identity* :- The degree to which employees identify with the organization as a whole rather than with their type of job or field of professional expertise.
- *Group emphasis* :- The degree to which work activities are organized around group rather than individuals.
- *People focus* :- The degree to which management decisions take into consideration the effect of outcomes on people within the organization.
- *Unit integration* :- The degree to which units within the organization are encouraged to operate in a coordinated or independent manner.

- *Control* - The degree to which rules, regulations and direct supervision are used to oversee and control employee behavior
- *Risk tolerance* - The degree to which employees are encouraged to be aggressive, innovative and risk seeking
- *Reward Criteria* - The degree to which rewards such as salary increase and promotions are allocated according to employee performance rather than seniority, favoritism, or other non-performance factors
- *Conflict-Tolerance* - The degree to which employees are encouraged to air conflict and criticism openly
- *Means-ends Orientation* - The degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve those outcomes
- *Open-system Focus* - The degree to which the organization monitors and responds to change in the external environment

As shown in fig below each of these characteristics exists on a continuum. Appraising the organization on these ten characteristics, then, gives a composite picture of the organization's culture. This picture becomes the basis for forming a shared understanding that the members have about the organization, how things are done, and the way members are supposed to behave.





Culture can be perceived as people's customary behavior and their taken for granted ways of seeing the world ( Wilkins,1983 ) Because people rarely reflect on their assumptions, most often taking them for granted, customs or stories or special language must be used to imply and pass on cultural assumptions

Shared or taken-for-granted assumptions, might be viewed as a kind of automatic pilot that provides direction as well as focus for one's attention in a way that

doesn't require full attention. These assumptions are of ultimate interest in understanding a particular culture. Divulging of these assumptions are difficult as most of people are not accustomed to, or particularly interested in, thinking about their basic belief.

The three problems to be faced in uncovering shared assumptions are -

- People do not speak of assumptions directly, but rather imply them through concrete examples - This means we must sift through a wealth of concrete and diverse manifestation of culture, like , stories about companies history, rituals and salient physical characteristic which symbolize the company's uniqueness, before we can arrive at our goal
- Some assumptions contradict overtly stated norms, so people are reluctant to admit them - For example , we would not want other people to be aware of our assumptions if our basic orientation is to win at any cost in the society that professes the value of equality and compassion for the oppressed

The challenge for one who wants to really understand the culture in this context, then, is to ferret out the real assumptions beneath an idealistic picture some would present of the culture. And in this regard, the sincerity and honesty of those making the claims are not always fair measure. Their exposure to only a part of culture as well as a natural tendency to put the best foot forward frequently bias them.

- The diversity and size of many organizations require us to consider how representative a cultural audit findings are. Large organizations are likely to have many cultures. The essential nature of organizations is to align process of large task to various sub-units and to hold these sub-units responsible for accomplishing

their piece of task. People who associate with each other and share common backgrounds and objectives tend to develop and share common orientations that may differ from orientations of other groups. It is not enough to study a few representatives of a social body in depth, as in this way, we may learn only one of several important subcultures. Thus in order to know the complete culture, we must first discover all relevant groups in the organization and take sample readings from all groups to gain some perspective on the extent to which different assumptions are, or not, shared.

### **2.10 How Do We Focus On Organizationally Relevant Assumptions**

It may be useful to think of an organization as a complex of explicit and implicit contracts. From the point of view of explicit contracts, the organization is essentially the result of a number of formal contracts with individuals that spell out ( i ) What is expected of the employee? ( ii ) What kind of rewards and punishment are associated with different level of contract performance. Only a few jobs in an organization can be completely and formally pre-defined in terms of work expectation and associated reward expectation. Organizations appoint supervisors and managers to handle expectations as well as to communicate new reward expectation and observe worker compliance.

Over a period of time, organizations, or groups within them, tend to develop an implicit pattern of assumptions that constitute the work-culture - called implicit social contracts. This contract consists of information that fills in the gap between the formal employment contract and what employees want to know about the

way things really work This contract generally focuses on two general areas i ) Implied work assumptions and , ii ) Implied reward or punishment assumptions

Thus the culture audit whose chief interest is effective organizational performance, we should want to know , i ) Whether the implied work assumption give people appropriate ways of thinking about a particular work ,and, ii ) Whether the implied reward assumptions motivate people to learn and apply the work assumptions

### 2 10 1 Implied Work Assumptions

Not having some shared concept and shared assumptions about how a business operates can result in serious failure On the other hand, in an organization where many people share a view of what is most helpful to the corporate interest as well as how they individually and as a group can work to accomplish that interest, people don't need as much supervision to handle exceptions, and they can communicate very efficiently because they start from similar assumptions and use a shared jargon

### 2 10 2 Assumption About Work Ends And Means

Two sub-cultures within the an organization may assume different goals and have in mind different ways of achieving them, may have difficulty communicating with each other The reasons for these sub-cultural group's conflict is because they believe their own view is the only one that works, they feel that their view should be universally accepted and bulk of rewards and recognition for their account



### 2.10.3 Implied Reward Assumption

Reward assumption are the second major area in the implied social contract. While work assumption focus on the work to be accomplished and how it is performed, reward assumption guide thinking about why one should not implement the work assumption. Thus, reward assumptions become the basis for motivation in a work culture. Essentially two kinds of assumptions are critical in this area - that is, that 1) individual interests are best met through their collective efforts, and 2) the evaluation and reward of individual is fair.

### 2.11 Where Does the Culture Assert Itself

Culture encompasses those underlying assumptions that influence the conduct of daily affairs because they are taken for granted. These assumptions are generally hidden and come closest to the surface at three periods -

- When employee role changes ( becomes member, gets promoted, changes function etc )
- When sub-culture conflict or assign stereotypical characteristics to one another

When top management makes and implements critical decisions about company direction and style

### 2 11 1 Employee role changes

New employees are very receptive to learning where they fit. They want to know how work is done and how people are treated. The culture asserts itself when the taken-for-granted assumptions are in some way violated by the uninitiated and provoke a response. As the uninitiated bump into one after the another taken-for-granted assumptions more acculturated employees respond in a variety of ways ( tell stories, offer advises, ridicule and so forth ) that serve to mold the way of the newcomer. Occasionally people are overtly rewarded for having the right outlook, but the most part they know they have it right when people seem to accept their action as normal.

### 2 11 2 Sub-culture Clashes

One group's description of the other and their conflict can produce rich information about the culture and its sub-culture. We should also recognize that the group of people with whom recently hired, newly promoted, or recently re-assigned people spend most of their time and admire most have the greatest influence on what they come to believe and take for granted about the organization. By asking people to tell us whom they admire most and who they think is doing the most harm, we get some insight into the culture as well as the sub-cultures that influence organizational participants.

### 2.11.3 Top Management Behavior

Top management reveals organizational culture because those at the top level are the most visible members of the organization, and they are perceived as controlling such desired rewards as promotions, budget allocations, and work assignments. Therefore, although people interact with their immediate supervisors and peers and are exposed to various sub-cultures on a more regular basis, top management perspectives and values can have a potentially greater influence on the organization as a whole.

Specifically, top management can assert assumptions, or perspectives in these two ways: 1) through their personal behavior (What they say, where they spend time, what they reward and so forth), and 2) through the formal system they create (incentives, reporting mechanism and so forth). If executives are consistent and persistent, they have significant impact on assumptions.

### 2.12 Culture And Organizational Performance

A firm's culture can be a source of sustainable competitive advantage if that culture is valuable, rare, and imperfectly imitable (Barney, 1986). The sustained superior performance of companies may be, at least partly, a reflection of their organizational culture (Peter & Waterman, 1982).

Companies with valuable, rare, or imperfectly imitable cultures should nurture these cultures. Companies without valuable, rare, or imperfectly imitable cultures cannot expect their cultures to be the source of sustained superior performance. Nor can these companies expect that efforts to change their cultures, though they may successfully incorporate new valuable attributes, will generate

sustained competitive advantage These companies must look elsewhere if they are to find ways to generate expected sustained superior financial performance

The above theory has important implications for current debates concerning the ability to manage a firm's culture to improve financial performance (Simrich, Trichy, 1983) This reasoning suggests that if a company can modify their cultures to improve their financial performance, then it is likely that others can as well In this case, the advantage associated with this culture is also imitable, and thus only a source of normal economic performance Only when it is not possible to manage a company's culture in a planned way does that culture have the potential of generating sustained superior financial performance Thus, those who argue that culture is simply another in a series of manipulatable tools available for the implementation of business strategies (Schwartz & Davis, 1981) deny the possibility that culture can be a source of sustained superior performance, while those who argue that culture is not readily manipulatable (Simrich, 1983) uphold the possibility that culture can be a source of sustained superior financial performance for some companies

A company's culture is one of several attributes that differentiate firms, one from the another (Alchian, 1950, Densetz, 1972) It is in these sustainable differences between organizations that expectations of sustained superior financial performance must be sought (Chamberlin, 1937) As Densetz (1973) observed, it is often not easy to describe what it is about some companies that makes them more successful than others Precisely because an organization's culture is hard to describe, because the common sense of managers is taken for granted, and because even if the culture can be described, it is difficult to change, a company's culture can hold promise for sustained superior financial performance for some companies

### **2.13 The Purpose Of Study**

As shown by literature survey it has been quite a contentious topic that, “Whether organizational culture affects the organizational performance, and if “yes” then how?” , and similar is the topic chosen by us. The present study tries to find the relationship between organizational culture, and organizational performance. For the study two similar types of organizations are chosen, to remove the effect of environment to minimum, and the study has been performed.

### 3. SCOPE OF STUDY

In the earlier chapters, an attempt was made to provide a comprehensive background of the study so that the problem chosen for study, the affect of organizational culture on performance, can be seen in a context In this chapter an attempt has been made to formulate general and specific problems, state the objectives and purpose of the study, indicating the significance of problem

#### **3.1 The Problem**

The purpose of the study is to seek the answers for the following general and specific questions -

- What is the magnitude of some behavioral determinants of organizational performance in selected industrial undertakings (Uttar Pradesh State Electricity Board, and National Thermal Power Corporation) in India? Does it differ significantly across " low" and "high" performance industrial undertakings? Does it differ across state government owned and central government owned industrial enterprises?
- Is there any significant relationship among these behavioral determinants of organizational performance in selected industrial undertakings (Uttar Pradesh State Electricity Board, and National Thermal Power Corporation) in India? What is extent of this relationship? Is it consistent across "low" and "high" performance

industrial undertakings? Is it consistent across state government owned and central government owned industrial enterprises?

- What is extent of relationship of trust and distrust variables with organizational performance in selected industrial undertakings (Uttar Pradesh State Electricity Board, and National Thermal Power Corporation) in India? Is it consistent across "low" and "high" performance industrial undertakings? Is it consistent across state government owned and central government owned industrial enterprises?
- To some extent we have done study about the basic leadership style of executives in selected industrial undertakings (Uttar Pradesh State Electricity Board, and National Thermal Power Corporation) in India? What are these styles of executives in "low and "high" performance industrial undertakings? What are these styles of executives in state government owned and central government owned industrial enterprises?
- To some extent we have done study about the supporting leadership styles of executives in selected industrial undertakings (Uttar Pradesh State Electricity Board, and National Thermal Power Corporation) in India? What are these styles of executives in "low" and "high" performance industrial undertakings in India? What are styles of executives in state government owned and central government owned industrial enterprises?

### **3.2 Objectives of Study**

The specific objectives of the present study were to explore the differences of the various behavioral variables and determine the extent of relationship among them and their consistency across the low and high performance and across state government owned and central government owned industrial enterprises in India

Other specific objective of the study, on which we have worked to some extent, in the context of "low" and "high" performance and across state government owned and central government owned industrial enterprises in India included identification of basic and supportive leadership styles of executives

### **3.3 Importance of Study**

The study of behavioral determinants of organizational performance in industrial undertakings in India is important for the following reasons -

Firstly, the background factors in the cultural context are very important in the study of leadership and other behavioral determinants. It has been observed that leadership is partly a cultural phenomenon and must be analyzed within a given cultural, political and socio-economic context

Secondly, positive contribution of trust and negative contributions of distrust can be interpreted from the cultural view point. Indian culture is largely based on trust as can be easily visualized from mythologies, purans, kathopnishads etc. It seems that being deep-rooted in culture, trust energizes individuals to greater efforts while distrust being culturally devalued, thwarts the actions. Moreover in Indian culture trust is considered as a prerequisite to effective attainment of "objectives" in different settings while distrust is viewed as a hindrance in their attainment causing



divergence This is evidenced in Indian philosophy and mythology These sources of cultural values stress numerous norms and values to relate to trust and confidence and prescribe norms and values abandon distrust in day-to-day behavior

Thirdly the study may be of paramount importance to personnel managers from both state owned and central owned industrial undertakings in this country, as it has been conducted in both of these sectors If the validates and correlation of these studies have positive contributions then training and development of managers and supervisors can be designed This will also help in counseling and performance appraisal of the managers, as after knowing their own styles managers can be trained and feedback can be given by counseling methods If these methods are valid in Indian settings, then through training and OD interventions, the general organizational culture can be improved, which will improve the creativity and group performance

Fourthly, despite the wide applications of these models, behavioral determinant models and devices should not be employed without assessing the validity for a specific industrial situation As mentioned earlier, the culture and background factors may differ from industry to industry and therefore, blanket application is not desirable Of course, this is true for any application of behavioral devices The factors and scale for which adequate validity has been established at a particular level of work and industrial environment, the findings of the study could be used with confidence in Indian industrial settings as study has been done there only

Fifthly, although lots of study in India have been done to make out the difference in management style of public sectors and private sector enterprises, but, the fact that there is difference between management practices within the public sectors

themselves has not been so far studied. The analysis of cultural difference and their relationship with productivity within this sector is a vital necessity as in post-liberalization scenario this sector is undergoing maximum amount of stress.

The study on behavioral determinants on managerial aspect is more important from the view point of Indian needs and Indian value system and cultural settings. The analytical and operational tools of management remain the same whatever modalities we adopt. The principles of good organization setting clearly articulated objectives, delegation and definition of responsibility, controls, maintenance of checks and balances, motivation, accounting, performance standards, human relations etc.

The economic and business philosophy and paradigms are quite different matters. It is possible that those that develop out of western experience may not only be totally inapplicable to India but may also have serious distorting effect on Indian development.

The professional managers in India must be sensitive to this possibility. It is essential to find the ideal Indian combination equivalent to the Japanese principle of "Wakon Yosai", or "Indian Spirit, Western Technology".

## 4. DATA-COLLECTION

After the definition of problem, that is, to find the relationship between organizational culture and organizational performance, the next most important stage of study is data collection. For the collection of data no particular method, but a combination of methods, namely, i) Observational method, ii) Interview method, and iii) Unobtrusive methods, were used.

Culture can be thought as encompassing those underlying assumptions that influence the conduct of daily affairs largely because they are taken-for-granted. Because resources are limited, it makes sense to focus attention on those places or periods in the organization in which culture is closest to the surface. These periods or places where organizational culture becomes apparent and, were, focused during study are -

- When employees change role ( become members, get promoted, change functions and so forth ),
- When subcultures conflict or assign stereotypical characteristics to one another, and
- When top management makes and implements critical decisions about company direction and style
- The other things giving the picture of the organizational culture are the formal structure, and formal or established way of doing things in the organization

#### **4.1 Liaison Between Observer And the Selected Organization**

Prior to proceeding for field-study one representative unit from both the organizations were chosen. The units were selected so that they were not separated by large distances so that the local culture prevailing in the environment may not sneak in and contaminate study. After selection of units, the Chief of Personnel Department in selected unit of NTPC and, Executive Engineer of T R M (Training, Renovation and, Modification) division at selected unit of UPSEB, were requested to allow the observer to conduct this study in their respective organizations.

In response to this request, the heads of department contacted replied that they would give every assistance possible to conduct the proposed study. The observer visited the organizations with prior approval of heads contacted. For better feel of the organizational culture prevailing, observation/collection of data and for minimization of bias of observant, the observer lived with the people of organization during study and tried to befriend them to maximum possible extent. Observer used to take snacks, meals with the people and accompany them in evening to their clubs and play games. The observer tried to build a nice rapport with people to be observed.

Prior to proceeding to interview, the observer used to explain to the people the purpose of visit for collection of data for scientific work and thereby evaluation/development of management theory regarding the affect of culture on performance. After the interview it was explained to them that organizational culture was measured by trust, distrust, organizational role stress, leadership etc and how organizational culture influenced individual and organizational performance. Interviews were done at variety of places, clubs, homes of organizational members, work-place etc, in an informal and friendly manner. Every attempt was made to convince them

that their response were important and would be treated as confidential and professional communications. By a clear, confident and friendly, interesting and alert manner, the observer attempted to give the respondents the feeling that the data were important, interesting and would help the understanding of management theories. Attempts were made to extract maximum possible information from people through stories and other illustrations about their view.

Now, a brief description about methods used in study -

#### **4.2 Observational method**

The main virtue of this method is its directness, it makes possible the study of behavior as it occurs. In this there is no need to ask people about their own behavior and the actions of others, but one can simply watch them do and say things. This, in turn, enables the generation of first hand data that are uncontaminated by factors standing between the investigator and the object of research (Nachmias, 1981).

Moreover, data collection by observation may describe the observed phenomenon as they occur in their natural settings. All too many research techniques introduce elements of artificiality into the researched environment. An interview, for instance, is a form of face to face interaction, subject to peculiar problems because of lack of consensus surrounding the role of researcher and respondents. In such an interaction, the respondent might behave in a way that is not characteristic of his natural behavior. Artificiality was minimized in observational study by observing people when they were least aware that they were being observed. Artificiality was also minimized by befriending the people on whom observation was done and making them accustomed to the observer so that they did not perceive the observer as intruder.

Thus, the method used for observation was participant-as-observer method, thus minimizing problems confronted in other methods. The participant-as-observer attempted to establish close relationships with the members of organization who subsequently served as both informants and respondents.

#### **4.3 Personal Interview**

The personal interview can be regarded as a face-to-face interpersonal role situation in which an interviewer asks respondents questions designed to obtain answers pertinent to the research hypothesis. The questions, their wordings, and their sequence define the extent to which the interview is structured (Yin, 1982).

For the collection of data in the present thesis the least structured, or non directive, interview was used. In this no pre specified set of questions were employed, nor were questions asked in a specific order. Furthermore, no schedule was used. With little or no direction from the interviewer, respondents were encouraged to relate their experiences, to describe whatever events seemed significant to them, to provide their own definitions of their situations, and to reveal their opinions and attitudes as they see fit. The interviewer had great deal of freedom to probe various areas and to raise specific queries during the course of interview. To give a feeling of what interview was like and, what were areas of discussion, the samples of question used are given in annexure-I.

#### **4.4 Unobtrusive method**

Unobtrusive measures are intended to produce data that are free from errors that either the researched individual or the investigator may introduce when confronting each other in data-collection situations. An unobtrusive measure is any measure of data collection situation that directly removes the researcher from the set of

interactions, events, or behavior being studied. With unobtrusive measure the individual is not aware of being studied, and there is little danger that the act of measurement will introduce a change in behavior or elicit role playing that biases the data (Nachmias, 1981).

The unobtrusive measure used for data collection was simple observation or data about the selected organizations from magazines and newspapers. In simple observation those situations which the observer had no control over the behavior in the question and played an unobserved role in the research situation and collection were studied. In second method the data from newspaper, magazines and in-house journals of the selected organization were used. This method was mostly used in collection of data about NTPC, as there was dearth of articles about UPSEB in newspaper and magazines, the in-house journals of UPSEB were not available for study.

## 5. CASE-STUDY

Times have changed a lot since Benjamin Franklin. Generation and consumption of electricity in modern world is treated synonymously with industrial growth and quality of life. At the time of independence, the total installed capacity in our country was 1326 MW and hence our country was taken to be a backward country.

Realizing the importance of electricity, the framers of constitution introduced the word "electricity" in concurrent list, it being a responsibility both of center as well as states. With the vision of founder of "Modern India", Pt. Jawahar Lal Nehru, Electricity Supply Act was passed in 1948. Under section 5 of Electricity Supply Act, states were empowered to establish their own generating stations, and Uttar Pradesh State Electricity Board (UPSEB) was established under the same.

Till the mid-70's, almost 80 % of the generating capacity was available with State Electricity Boards (SEBs). Due to many reasons, the SEBs were unable to cope up with energy demand in the country as capacity utilization of generating units remained very low (45-50%).

In 1976, the Electricity Supply Act of 1948 was amended to provide for the establishment of generating companies by central government. This led to creation of number of govt. owned power corporations at the regional and national level.

The National Thermal Power Corporation (NTPC) was incorporated in November, 1975 as a central generating company with the objective of planning,



promoting and organizing the integrated development of thermal power projects and associated transmission lines<sup>#</sup>

There has been a rapid growth in electricity supply after independence. The installed capacity has increased from 1326 MW in 1947 to 76,000 MW (approx ) by the end of 1995. Even with the impressive growth in installed capacity, our present per capita energy consumption is nearly 280 KWhr , in contrast with the average consumption in developed countries which is over 7,000 KWhr per annum. Thus a long way is to be covered to give adequate electric supply to our countrymen.

In the post liberalization era, the government felt that adequate infrastructure can entice huge investments in country. In spite of repeated call for investment in power sector tepid response which broke the infatuation. Government now, having realized the vitality of this sector, has started cajoling the states to restructure the electricity boards putting forth the example of NTPC.

Since its incorporation, the story of NTPC's ceaseless endeavor has been to make available quality power in increasingly large quantity, which made it not only largest public utility of the country but also a leading power utility of international acclaim.

Following are the extracts from the report of World Bank's team which has launched an ambitious plan to reform the Indian power sector -

“ despite some delays in pre-construction stages, NTPC generally completed all its projects on schedule and within budgets, reflecting the strong project management capability it has developed. Quality control procedures introduced by

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<sup>#</sup> On 23 Oct , 1989, the transmission wing was carved out from NTPC to form Power Grid Corporation of India Ltd. to take care of national grid concept.

NTPC helped improve the quality standards of power equipment supplied by Indian manufacturers

NTPC's operations have grown rapidly and as its performance exceeds the State Electricity Boards (SEBs) average by a wide margin, its impact shows as an overall sectoral improvement in power statistics

NTPC has brought productivity, efficiency and adherence to schedule on the agenda for the power sector in the country by setting examples in each of these areas for others to emulate, i.e., it has achieved leadership through performance within the Indian power industry ”

From the very beginning, NTPC has given a close look to the management of the power stations in following areas - Project Management and Implementation, Plant Operation-following condition based and computer-aided maintenance management system and merit order rating of generating units, that is, cost implication on deviation of main operating parameters

Now the question arises, has NTPC prospered only because of its latest technology The answer will be a no, because several units of the similar technology were installed in SEBs, but are not giving as much production ( not even nearly as much ) as their counterparts owned by NTPC Thus there lies some thing in culture which has made NTPC the single largest power utility in the country with international acclaim The biggest supporter of this hypothesis is Feroz Gandhi Unchahar Thermal Power Project (FGUTPP), a project earlier managed by Uttar Pradesh Rajya Vidyut Utpadan Nigam, a part of UPSEB, which was handed over to NTPC on 13th Feb , 1992 through an ordinance The plant at the time of transfer was barely operating with a Plant Load Factor( PLF ) of 18.06%, but the performance of the plant just after three

years of takeover improved dramatically and it started running at conspicuous PLF of 82% which is as good as any other NTPC plant, using the same old machinery Just after three years of takeover FGUTPP bagged a award for improving generation under the meritorious productivity award scheme of Government of India The turnaround FGUTPP has been possible only by the virtue of distinct culture of employees of NTPC displayed after the takeover

Productivity is an important source of economic growth and is closely linked with the human resource development and hence with the culture of the organization Failure to motivate human resource has been the main cause of the failure to achieve higher productivity It is possible to buy technology which is best suited for business It is also possible to implement good management system and procedures But, what is not possible to buy or transplant is dedication and commitment of the people The most contemporary equipment and technology may be available to business, but if the human resources are not geared to utilize them effectively, these massive investments reduce to the proverbial “white elephant” Manpower is thus a unique resource, in the sense that greater productivity of other resources depends largely on greater productivity of manpower

## **5.1 NATIONAL THERMAL POWER CORPORATION**

Achievement of sterling performance on continuous basis has been possible with the conviction that employees are NTPC’s most valuable asset NTPC firmly believes that any approach towards organizational metamorphosis should be based on promise which looks at employees as “opportunity” The innate desire of evolving a growth-oriented HRD strategy to cultivate an enabling culture has become

a reality HRD in NTPC is considered a pivotal process to translate and, therefore, contributes in keeping up a pioneer role in the field of power development

The organization's context, over the years, has been characterized by the absorption of varied contemporary technologies, a high rate of growth coupled with a geographical spread of operations and contribution to the development of professional management in power industry. The contextual factors reinforce the conviction that it is the human factor which is the common denominator in all its endeavors and HRD has been conceived as a potent tool to match the increasing complexity of changing times and technology. HRD philosophy at NTPC has been conceived as a human resource management system that would work pro-actively, promote a participative culture and have inbuilt flexibility to facilitate management of change. The HRD strategy at NTPC is multipronged one, consisting of inter-related and inter-active sub-systems. NTPC has been laying great stress on the development of various sub-systems so as to give impetus to organizational effectiveness. This has helped the organization in realizing the challenging tasks set forth by the government, as also in developing a character of its own while facing the pressure associated with the exponential growth of the past.

“Participation and teamwork” is the greatest philosophy of “NTPC work-culture”. The NTPC belief is that the organization building efforts must focus, to begin with, on each and every individual. Only then would the success of progressively larger human systems like team, sections and departments be possible.

The various steps taken at NTPC to implement the guiding philosophy areas follows -

- Selection process

- Training and development
- Minimizing distinctions between employee
- Caring for each employee
- Encouraging team-work
- Encouraging individual's initiative in role development and involvement in company's operation
- Free communication and information sharing
- Establishing the credibility of management

#### 5.1.1 Selection

Unlike other public sector enterprises, from the beginning, an open-door policy was followed in NTPC with least hierarchical barriers, and people with professional backgrounds were inducted from the railways, steel, BHEL, Neyveli, DVC & several other public & private power industries to form a self driven and motivated team of professionals. The greatest example of this open policy is selection of one of the directors of NTPC recently, which is a unique thing to do in public sector organizations.

One of the greatest achievement of any selection committee to select competent professionals and establishing credibility of selection process. Over the years, the corporation has evolved an effective recruitment and placement policy to induct the cream of technical and managerial talents into the organization. NTPC's selection committee has left the everlasting impact of its fairness among its employee, thereby giving the message of fairness in work, an objective of organization, home right from the induction. Employees of National Thermal Power Corporation can be

easily heard telling that they were selected from 10,000 - 20,000 competitors, without any nepotism or bribery, just on the basis of their competence

After the recruitment, during the orientational programmes, power minister and power secretary come to meet the newly recruited 'power professionals', as the members of NTPC liked to be call This meeting helps in asserting their importance in building of the nation, and generates a feeling of pride for becoming a part of a great organization This formal meeting with top decision makers along with top-brass of the corporation, during the orientation programme only, infuses a great dedication for work and sense of belongingness with the organization

#### **5.1.2 Training and Development**

Training is a basic necessity for establishing an enabling result-oriented culture, an essence of National Thermal Power Corporation Training leads to greater effectiveness of systems Training leads to greater effectiveness of systems, develops motivation levels and a harmonious work environment The training need assessment, in National Thermal Power Corporation, is undertaken at three levels viz (a) individual (b) group (c) organization The training coordinators identified at various sites and offices facilitate the process of assessing the need The group & organization level needs are identified through interaction with senior executives and the feedback obtained from personal discussion in different development programmes The needs so identified, form the basis of training programmes conducted by in-house institutions and external nominations

The total training and development package in NTPC has been designed based on a two-pronged approach consisting of pre and post employment training programmes

Pre-employment training aims at providing requisite skills, and at boosting the confidence of personnel joining the organization as trainees at various induction levels. The programmes under this scheme have been framed so as to develop a thorough understanding of fundamentals and guiding principles with respect to various responsibilities. Over 45% of executive manpower in NTPC has been built through these schemes.

Post-employment training provides opportunity for personnel at different levels of the organizational hierarchy to gain new skills and take up higher responsibilities, and also re-orient them to keep pace with the advancement in technology. These training packages have three components: Management Development, Specialized training and Employee Development.

Through these training programmes, the corporation has further developed its most valued asset, the "*Power Professionals*", and it takes pride in possessing some of the best qualified and trained engineers and managers in the country. These continuous training and development programmes send home the message of professionalism in approach and care in development of capabilities of each employee. These trainings develop the dedication for work and enthusiasm of using the latest, most economical method of working.

### 5.1.3 Minimizing Distinctions Between Employees

Symbolic egalitarianism is prevalent in NTPC culture. Common uniform, even though not compulsory, worn by all employees, is the first and foremost of them. This has been followed by a common canteen for officers as well as workers. Outside the plant there is one Employee Welfare Association (EWA) which takes care of major welfare activities; every employee of a unit is a member of this common association.

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Apart from EWA several clubs are present , numbers of club depending upon the size of the unit, whose memberships are open for every employee of that unit Apart from these there are various bipartite statutory committees namely Canteen Management Committee & Safety Committee along with Township Advisory committee and Sports Council with effective participation from every strata of the organization These practices of reducing distinction between employees are much more important than merely helping to project a “NTPC-family” image to outside world They serve to bridge the physical and psychological gaps between the employees at different levels They actually inculcate among the employees the feeling of belonging to one family and desire to work with others towards the common goals NTPC has tried to make each employee perceive himself as an equal partner in the organization’s operation

NTPC has tried to reduce the hierarchies to a bare minimum to reduce the communication barriers and reduce the feeling of difference Executives generally have tendency of bypassing the formal channels of communication to gather first hand information about any problem, to make judicious decision Even in the day to day working , the competence of suggestion, rather than the formal position of person in the organizational hierarchy, is given value by the executives The other measures taken include similar facilities to all the employees

Regular visits of top of officials from corporate center to the generating units helps to enforce warmer ties between units and corporate center and helps to check any deviation of unit from the corporate objective Informal chat by top-brass of corporation with common employees helps to foster warmer ties and infuse a new dose of confidence and unity among the employees



At NTPC employees are encouraged to foster warm ties with every level, both inside and outside plant. The EWA organizes social and cultural functions along with sports meets, with the help of sports council, at regular intervals, in which participation from all levels are encouraged, to strengthen these bonds of oneness. This feeling of oneness helps in improving the performance within the plant, as employees know their group-mates well.

An unique experience at NTPC units is that the last man to go out of the office, be it the head of department, has to lock the room himself, switch off the lights, and hand over the keys to security personnel after putting his initials in the register, kept for recording the last man to leave the premises. This, trivial looking ceremony, sends the indiscriminate view of organization towards all its employees, i.e., all are equally responsible, be it supervisor or sub-ordinate.

#### **5.1.4 Caring For Each Employee**

It is obvious that employees in an organization who feel that they are taken care of, would be motivated to perform better. In such a climate, employee turnover would be minimum and long and stable relationship will be forged. It is well known that an organization with stable manpower has a competitive advantage because of the weight of accumulated experience of all its employees. NTPC is attempting to create such a climate for its employees. Material benefits like well furnished homes in colonies attached with units, house rent allowance, subsidized food, conveyance allowance, compensation for night shifts, loans for purchasing vehicles, house building allowance, free electric supply for homes, city compensatory allowance, children education allowance, medical allowance and leave have been taken care of. But, in addition, great importance is attached to the investment of time and money in

each employee's continuous development, keeping in view that human resources are durable assets. At the time of joining, the training programme provides orientation to the company philosophy, in addition to imparting technical skills. The process of an individual's career development is continued even after his training through post-employment training programmes. Post training programmes strive to facilitate a progressive development of skills and to provide employees with opportunities to attain higher educational levels. It comprises of short-term courses on skill up-gradation and long-term education plans for career growth.

During the pre-employment training the individual's interest and caliber is closely monitored and the job most suitable for him is allocated to him. An employee, if necessary, is rotated among different jobs until the desired matching is attained. In this process, his supervisor is expected to play an important role by counseling him on how to perform his task more effectively. After the suitable job is found for an individual, he is encouraged to specialize in it through training programmes so as to mold his career. In order to enable the individual to shape his or her own future role in the organization, the performance appraisal system allows for free discussion of his annual report with his boss.

NTPC gives recognition to the employees forming long professional association with the corporation. Every year employees completing fifteen years of service in NTPC are publicly rewarded and a silver plate citing this long bond is presented to him.

#### **5.1.5 Encouraging Team Work**

Many Indian organizations, both in the private and public sector, link an employee's reward to his merit, with the objective of fostering individual excellence.

While in most case this objective is met, when several individuals concentrate in out-performing each other, the overall efficiency of a group may not be high, even though it may consist of exceptionally capable individuals. Conversely, the NTPC has shown how a team of workers can bring about continuous innovations and productivity increase, because it believes that in a very competitive environment, employee start playing win-lose game, which, in turn, comes out to be a lose-lose game for the whole organization.

The major thrust of all recent management innovations has been to emphasize team work over individual excellence. Team spirit is inculcated through encouragement of group activities and group working. The rationale for this is the belief that - "the whole is greater than the sum of its individual parts".

NTPC has been following an intermediate policy consistent with prevailing socio-cultural environment. That is to say, value of individual initiative and performance is not de-emphasized, but the importance of team work in performing given tasks has been communicated to all employees.

Formation of groups for achieving targets has been one of the core philosophies of NTPC since its inception. The team leaders are encouraged to take pains to provide clarity of organization's objective and position as well as importance of group through personal and group interactions. In order to give a practical shape to the team-building process, small group activities have been encouraged in all departments. In each departments, there are regular formal and informal meetings of various task groups for problem-solving and planning for the future. Specific targets are fixed through these meetings for achievement in near future. Within a group, each employee is expected, in collaboration with other group members, to work out

methods for improving productivity and quality. The decision reached through these meetings gives an impression of our decision rather than boss's decision to employees, which in turn infuses greater enthusiasm for work.

The incentives given to employees are based on the performance of the whole group rather than individual performance, strengthening the bonds of cohesion. Direct relation of plant performance (PLF) with the incentives given to employees, and rewards attached develops the sense of belonging and challenging environment to make employees give their best. Awards are given annually to meritorious units under the Productivity Award Scheme of Government of India. Awards are also given to units for improving generation, improving PLF, reduction in specific oil consumption, reduction in auxiliary power consumption etc.

#### **5.1.6 Encouraging Individual's Involvement**

As an organization, NTPC's constant urge has been to proliferate an open work culture in which an individual feels free to express and exploit his creative abilities in suggesting various innovative measures, hibernating in the minds of employees, that are helpful to the organization in bringing productivity and effectiveness to full swing.

At NTPC, adequate authority and freedom of work is given to encourage creativity and innovation in each employee, so that he has a sense of involvement in running the company. Executives are given ample amount of liberty to identify their subordinates, as per their capacity and capabilities, and allocate jobs accordingly, for better performance and job satisfaction. At the regular departmental meetings, all persons in task group are encouraged to generate ideas. Individuals are

encouraged to take responsibilities and communicate their individual plans and targets to their colleagues

Regular performance feedback and personal encouragements are given to the employees by the concerned sectional head. Performance recognition by means of appreciation letters and a proper performance appraisal system is present in the organization.

Promotion in NTPC is linked to performance rather than seniority which is prevalent in other public sectors.

Apart from the company's performance recognition system, the company nominates meritorious employees for various Shram awards given by the Government of India. Collection of Shram Bhushan and Shram Vir awards by the employees of NTPC tells the saga of dedication for work.

In addition, an Employee Suggestion Scheme has been implemented, under which monetary awards are given to employees making suggestions for increased economy, productivity and quality and for maintaining a safe and invigorating working environment. Apart from the benefits from the suggestions, it helps to develop individual capabilities and increase morale. It is also seen that employees discover that the best suggestions arise from the group effort, and thereby team-spirit is fostered.

If a problem is too intricate to be solved by a group then an open call is made by officers to get the possible methods of solving the problems. In these open calls an individual can participate in his own capacity as well as a group. Incentives are given if the suggestion is found of value for solving the intricacy. If an employee wants

to do some thing innovating then sufficient encouragement is given by management both in cash and kind

#### **5.1.7 Free Communication and Information Sharing**

One factor in many organizations which has contributed to the gap between workers and corporate objectives has been the lack of formal communication systems within an organization for sharing key corporate information with workers, particularly their elected representatives In this situation, relationship between employees unions and management are clouded with suspicion and distrust

This is in contract with union-management relations in NTPC There, both parties see productivity improvements as a mutually beneficial challenge and not a negotiating point That is not to say that conflicts do not arise But there is always an unwritten code that these must be settled amicably at the negotiating table rather than through disrupting the company's operations The employees took pride in informing that even though there may have been some differences in between management and union, but not even once has the production been penalized They felt that solutions are generally negotiated before any formal strike

In NTPC, the company philosophy and policies have been communicated to all employees at the time of joining The message is reinforced through posters at different places in the work environment, which proclaims NTPC's goals and its basic philosophy Communications are send to employees whenever any notable achievement is made through communiqué and various magazines, corporate and in-house

At departmental get-togethers, the main objective is information exchange, with performance being reviewed and guidelines set for future performance

For achieving the targets the organizational core value also encourages mild constructive conflict

Periodic meetings are held with the unions are held to identify workers' problems It is part of NTPC's policy to have a strong union in order that it best represents the interest of a majority of workers At the places where multiple unions are present management is trying to unify them and get single most popular union representing the real interest of majority of workers

All the NTPC plants have their own in-house journals, along with magazines and newspapers published by corporate center These magazines intimate the latest development within the plant and in 'NTPC - family' in totality A video magazine 'Power Vision', was launched last year this magazine was screened through closed-circuit television network in the projects Through these magazines and messages through audio-video aids, top management is able to send home the objectives and strategies of the corporation Employees are freely encouraged to make contributions to these magazines, and give vent to their creative and innovative ideas In a typical story published in the corporate magazine was a sad tale of a young man who left a public sector enterprise to join some private sector organization The idea behind this story was to picturize the intangible benefits the corporation gives to its employee along with the human face of the organization, and to put a curb on the recently conceived exodus in the corporation after advent of lucrative private sector jobs in power sector

#### **5.1.8 Establishing the Creditability of the Management**

In the education process, the management is necessarily in the position of teacher and so it is all the more necessary first to establish its credibility Practicing

what is being preached is the most effective way of communicating and impressing the new ideas on the others

Realizing the importance of performance appraisal system, which is instrumental in developing and strengthening an organization's dyadic relationships and vertical communication, great emphasis was given to this system in NTPC. Based on work planning performance norms set jointly by the appraisee and his superiors, which on turn are based on departmental/group norms and the overall organizational plan, the appraisal system has shown tremendous results. Employee-potential is also assessed in terms of the career-enhancement possibility of each employee, so that the process of developmental planning and placement can be fully effective. The system also provides for identification of each employee's training requirements, in order to improve his performance, skills and attitude.

In NTPC, the executive in-charge of a work is selected in such a way that he has previous experience of executing similar works, so that he can envisage difficulties that are normally encountered in execution of such work. The planning and system group, which reports to the chief executive of the project, takes up regular review and contract monitoring for execution. Project review team meets every month, these meetings are attended by representatives of various disciplines, viz, engineering, contracts, planning, and quality control. These meetings help in improving coordination. Field quality personnel are normally associated with the execution of work, this avoids the normal difficulty in getting proper quality. During project execution, younger executives are given a limited amount of autonomy, in taking decision, so that they may get experience in execution of such projects.



At NTPC, conscious steps are taken by nearly all the managers to set a visible example in wearing the same uniform, reaching work place in time, communicating in Hindi, which is easily understood by all their employees, and making efforts to become familiar with sub-ordinates. All rules and practices are equally applicable to all the employees.

By implementing all these measures, NTPC has been able to evolve a unique work culture which fosters participation and team-work and leads to high level of productivity. All the project report targets have consistently been exceeded since the inception of the company, and productivity levels in the corporation are constantly improving.

Involvement of labor in increased production is also sought to be achieved through an incentive scheme which is based on Plant Load Factor and Plant Availability Factor. Participation of employees in the growth of the corporation is also sought by providing them with good quality of life and giving them sufficient responsibility and career growth prospects.

The company unconsciously observes the Japanese version of 5-s in its operation. The 5-s can be defined as, Seiri ( proper selection ), Seiton ( proper arrangement ), Seiso ( cleaning ), Seiketsu ( cleanliness ), Shitsuke ( well disciplined manner )

By enforcing 5-s in each area

- Operation can be performed without error, proceeding in a well regulated fashion, resulting in fewer wastages thereby increasing the overall quality
- Operation can be performed safely and comfortably, reducing the chances of accidents

- Machinery and equipments can be carefully maintained, reducing the number of breakdowns
- Operation can be performed efficiently, eliminating waste thereby increasing the efficiency and productivity

The success of any corporation, depends to a large extent, on the ability to secure genuine participation of all employees in the management of the objectives of the corporation. The success made by NTPC till now is an indication that the corporation has made reasonably good progress in this direction and we believe that this is mostly because of a deliberate organization strategy adopted sincerely and seriously for improving work-culture, participation and productivity of the corporation.

## **5.2 UTTAR PRADESH STATE ELECTRICITY BOARD**

Uttar Pradesh State Electricity Board (UPSEB), the largest power utility supplying the needs of people in the state, has been a long player in the field of power generation. Apart from generating power, it takes care of transmission and distribution of transmission and distribution of power within the state.

UPSEB is a highly centralized organization with heavy centralization of authority. The bureaucratic setup within the organization can be traced from the times when the chairman, board of directors used to be an senior civil servant. After a long fight between technocrats and bureaucrats, the technocrats came up as winners. Now the chairman, board of directors is an technocrat rather than a bureaucrat, with more or less change in the basic structure of the organization.

The basic culture prevailing in the organization is in close tandem with basically negative, theory X propounded by McGregor. Under theory X, the four assumptions held by managers, found in UPSEB are -

- Employee inherently dislike work and, whenever possible, will attempt to avoid it
- Since employees dislike work, they must be coerced, controlled, or threatened with punishment to achieve goals
- Employees will avoid responsibilities and seek formal direction whenever possible
- Most workers place security above all other factors associated with work and will display little ambition

The other salient features of culture prevailing in UPSEB can be accounted as -

- Selection and Training
- Mechanistic structure
- Risk-averting nature
- Status approach to authority
- Motivational / De-motivational Strategies
- Power and Politics
- Conflict
- Communication and Information Sharing
- Lack of credibility of Management

### **5.2.1 Selection and Training**

Being one of the leading and one of the highest paying industrial undertakings of its time, UPSEB attracted the best talent in the state. Engineers of

UPSEB are gazetted officers, this was also one of prime reason of attraction for young graduates of state. In UPSEB one can meet scores of graduates from renowned engineering colleges and, people who have opted for the company after leaving much coveted jobs, Indian Engineering Services, Hindustan Petroleum Corporation Ltd, Nuclear Power Corporation Ltd are to name a few.

The selection process in UPSEB was more much directed by state politics rather than the manpower planning and requirement. The state politics, being more unstable, caused a huge recruitment in the company, not because of the needs of the company but depending on the election requirement. In the small unit which the author visited, having installed capacity of just 274 MW, the number of people employees were 1800. This poor man / MW ratio clearly insinuates the poor manpower planning in the organization. On talking to people it was discovered that the largest numbers of recruitment were done in election years. The tinge of nepotism in selection process has helped in aggravating the problems even more. One can easily point out at large numbers of relatives of senior executives working as employees of UPSEB. The selection team, which makes the first impression on the candidates, gave picture of politics along with nepotism prevailing in the organization even during the recruitment stage. The new entrants thus saw the culture more politics tainted than performance oriented, but the other attractions of the job viz, salary, social recognition etc were more powerful and helped them to bind them to the organization. The amount of distrust on selection process can be easily visualized by open remarks like "so and so is in UPSEB because of his father", or "so and so does not know anything, he must have bribed selection board for recruitment."

The training and development processes are even more unique in UPSEB. Firstly, the managers of company do not see any basic use of training and development. Lack of funds may be one of the reasons, but the basic culture in company seems to support the concept of learning-through-experience rather than formal methods of training. Secondly, even if the formal training is given to the people, the unclear placement policy jeopardizes the basic purpose of training. In UPSEB one can easily come across electrical engineers in turbine and boiler maintenance divisions, a purely mechanical engineers' job, and mechanical engineers in distribution and transmission of electricity. There are again examples of persons given training in generation and then being posted in the distribution wing of the company just after training. This all picturizes the mis-utilization of human resource in company, as well as lack of planning on the part of personnel department.

### **5.2.2 Mechanistic Structure**

The structure of the organization is mechanistic in nature and is characterized by high complexity (especially a great deal of horizontal differentiation), high formalization, a limited information network (mostly downward communication), and little participation by low-level members in decision making.

The basic structure of organization is very flat, there are just three levels between Assistant Engineer and member board, viz., Executive Engineer, Superintending Engineer and Chief Engineer, but over the years because of consistent organizational forces and predominance of politics, extra levels of steps in hierarchy have evolved. These newly evolved steps have now become the most important factors in decision making and implementing, and major communication channel.

The structure of the organization has given rise to role oriented culture, i.e., the culture surrounding the role or position of an employee in hierarchy. In this type of culture, it is the role defining the competence of person rather than competence defining the role. In this type of organization, the authority lies in the hands of a few. The sub-ordinates receive specific instructions and are closely supervised. The freedom and the conditions for the expression of the individual talents are limited.

### **5.2.3 Risk-averting Nature**

The culture of the organization has given rise to bureaucratic set-up, in which individuals go by the rules. In this type of rule-oriented structures, the individuals hardly take any risk. With everyone following the fixed path, coordination of functions is hardly achieved. The persons in this culture look for their individual, short-termed goals rather than for the overall organizational goals. Most of members of the organization do not know about the goals of the organization. Lacking the awareness of real goals, the employees derive the satisfaction of goal achievement by ardently following the rules, and just doing the task allocated to them. In the context of highly complex functions and specialization needed by the work in the power industry, persons working with UPSEB, lacking goal-orientation and appreciation of goals, work cross-purpose.

It is said 'No risk, No gain' but vice-versa is also true, that is, 'No gain, No risk'. The organization lacks formal performance-appraisal system and promotions are based on seniority rather than individual performance. The members of the organization are replete with myths that in this type of condition an individual takes the risk only at his own cost and can never be anything other than the loser, one has

nothing to gain on succeeding and everything to lose on failure. Thus risk avertness has become a norm of the organization.

The risk-avertness of the organization has increased to such an extent that members oppose even those changes which may improve their own life or working condition. The members have been nurtured in such type of climate that they see and value negative aspects of changes even more than positive. In spite of repeated efforts for computerization and technological advancement, the repeated opposition of members have hampered every such effort.

Another reason for the over risk aversion of the organizational members is age factor. The average age of employees in UPSEB is above 40 yrs and have developed fixed, rigid ways of doing things. Employees of these age groups have several other responsibilities to perform outside the plant, so they generally averse risk taking which may cost them their career.

#### **5.2.4 Status Approach to Authority**

The employees of UPSEB take a status approach to authority because the organization projects the hierarchical distinctions more as reflection of status rather than reflection of differential competence. Employees feel that organization is not fair in hiring and promotional practices (promotions are based on seniority rather than performance), and hence do not feel hierarchical levels reflect differential competence. Hence organization is unable to send home its theory of hierarchy reflection of competence.

In the case of status approach, an essence of UPSEB, the superiors see their ability to control their sub-ordinates as source of their status rather than as a means to direct their work towards solving the problems. Status-conscious superiors

try to protect their status in the eyes of their sub-ordinates by coercing them to submit to them. They are less concerned about their sub-ordinates' contribution and more concerned about their sub-ordinates' recognition of their superiority. They are touchy and ego-defensive. One of the dysfunctions of centralization of authority, prevalent in UPSEB, is the operation of status approach to authority at lower levels at lower ranks levels of the organization. This status to authority is autocratic decision making, which has greater chances of failure.

The visibility of status approach can be seen even in out-of-plant life of members. There is hardly any informal relations between persons of different levels of hierarchy working in the same department. Officers think that their sub-ordinates will stop respecting them or will start taking illegal advantage out of them, if they foster intimate relationships. Other symbols of status approach are separate colonies for engineers and workers, separate gates for coming to power station for engineers and workers, security guard and a big board saying "No Admission Without Permission" outside officers colony (there are no security guard outside colonies of supervisors and workers), provision of separate vehicles to Superintending Engineers as a status symbol (it is rarely used for field work) are to name a few.

One peculiar experience of this status approach, which the author underwent during one of his many visits to the selected unit of UPSEB, was a discussion for half an hour between the members of a department that should an application to a peer contain formal, respect showing, polite words like "Dear Sir, Kindly, Please etc."



### 5.2.5 Motivational/Demotivation Factors

Motivation can be defined as the willingness to exert high levels of effort towards organizational goals, conditioned by the efforts' ability to satisfy some individual needs. The effort element is a measure of intensity, when somebody is motivated, he tries hard. But high levels of effort are unlikely to lead to favorable job performance outcomes unless the effort is channeled in a direction that benefits the organization.

Before moving to motivational factors, Abraham Maslow's hierarchy of needs is worth mentioning. He hypothesized that within every human being there exists a hierarchy of five needs. These needs are -

- Physiological
- Safety
- Social
- Esteem
- Self-actualization

As each of these needs becomes substantially satisfied, the next need becomes dominant. The high salary and job security has been able to fulfill the first two needs, or lower order needs, but because of promotional policy based on seniority rather than performance and role stagnation and other factors as discussed beforehand, there has been no effort as well as organization to upgrade the levels of needs. The complex result of these factors as well as presence of mechanistic, autocratic has resulted in increase in absenteeism and unethical practices prevalent in the organization. The level of corruption has become so deep rooted in the organization.

that, people have started taking it as a way of life and feel nothing odd about it. People during the interviews told the author that they even bribe each other to gain favors (ethical or unethical). People informed that they have to bribe even the accountants for getting their correct salary in time, but surprisingly, most of the employees felt nothing wrong about this practice. Employees told that there is a legalized channel of corruption from the lowest rank to highest level. Everybody in the organization tries to extract maximum possible from the organization. One of the operators asked the author "what is wrong with our stealing tools from the work-place if my boss takes money from the contractors?" Although these unethical factors are acting as motivational factors for exertion of high level of effort on the part of engineers and workers but this effort is working in such a direction so as to harm the organization rather than benefiting them.

There is an overstaffing in the organization, as discussed before, because of poor man power planning and it has also become one of the prime reasons of de-motivators. Because of overstaffing, the organization is unable to give enough job challenges to its members, which in turn is reason of poor job satisfaction, absenteeism and alcoholism prevalent in the organization.

It has been felt by persons, who have joined the organization after working in some other organization, that the culture of organization is such that even a hard working person transforms to a dull person after joining it. The basic reason of this can be explained on the basis of equity theory, which tells that individuals compare their job inputs and outcomes with those of others and then respond so as to eliminate any inequalities. Another reason of poor performance is negative synergy because of social loafing, a tendency of group members to do less than what they are capable of.

doing individually, i.e., the productivity of the group as a whole is less than the sum of the productivity of the individual members in the group

Several efforts were made by the management to increase motivation and, group incentive was one of them. It was introduced by the management without studying the basic culture of the organization, which is role-oriented and was bound to meet with failure, as predicted. Management also tried to recognize the meritorious workers of the unit and give them symbolic rewards on ceremonies like republic day and independence day, but the distrust among members and lack of faith in management resulted in non-recognition of awards.

#### **5.2.6 Power and Politics**

Power and Politics are essence of the organizational culture of UPSEB. The extent to which power and politics affect the daily working in UPSEB can be imagined by the large number of registered unions, sometimes up to 60 to 70, present and asserting their weight. The basic source of power in UPSEB are -

- 1 Position power
- 2 Personal power

The source of positional power in organization is as a result of the formal position one holds within the structural hierarchy of the organization. The positional power legalized by the organization gives rise to directive leadership style within the organization, which is a symbol of bureaucratic setup. In UPSEB leadership-participation style is more of an autocratic i.e., officers obtain necessary information from subordinates and then decide on the solution to the problems themselves. They may or may not tell subordinates what the problem is when getting the information from them. The role played by subordinates in making decision is clearly one of

providing the necessary information to seniors rather than getting or evaluating alternative solutions

Competence and respect are not necessarily perfectly correlated with power and authority. The engineers in UPSEB rely on authority rather than knowledge, persuasive skills, or other bases of power, and have more or less lost credibility among their followers. Although the organization vests engineers with formal rights, but because of dented selection and promotional policies, people do not recognize these rights. Engineers of UPSEB think that if they are vested with more powers, to decide the salary and career of their sub-ordinates, then they will be able to work more effectively. Engineers of UPSEB, who try to hide behind their formal rights, are having less productive and less satisfied employees than those in other high performing corporations, who develop additional source of power.

The main base of power amongst engineers in UPSEB, is coercive power which depends on fear. People react to coercive power out of fear of the negative ramifications that might result if one fails to comply. It rests in the application, or the threat of application, of physical sanctions, the generation of frustration through restriction of movement, or the controlling through force of basic physiological or safety needs. The basic source of their power, given by organization to its members, is authority to write annual confidential report of subordinates without checks (it has become redundant now as there are lesser promotional avenues because of overstaffing), dismiss or suspend subordinates, and making unfavorable transfers of their sub-ordinates.

Engineers in UPSEB have generated another, unethical source of power, which is reward power as they control the allocation of overtime to workers.

Because of reward power people comply with the wishes of engineers because it results in positive material gain

Another source of power prevalent in UPSEB is personal power exerted by leaders of various associations and unions of workers, junior engineers and engineers. The tactical dimensions used by them are -

- Reason Use of facts and data to make a logical or rational presentation of ideas
- Friendliness Use of flattery, creation of goodwill, acting humble, and being friendly prior to making an request
- Coalition Getting the support of people within the organization to back up the request
- Bargaining Use of negotiations through the exchange of benefits or favors
- Assertiveness Use of a direct and forceful approach such as demanding compliance with requests, repeating reminders, ordering individuals to do what is asked, and pointing out that rules require compliance
- Higher authority Gaining the support of higher levels in the organization to back up requests
- Sanctions Use of organizational derived rewards and punishment such as preventing or promising a favorable posting or transfer, threatening to withhold a promotion, etc

These leaders are real brokers of power of power within the organization as they have direct contact with the state level politicians and ministers and have ability to favor or oppose an individual, thereby exerting extreme political behavior that violates the rule of the game

While we acknowledge that individual differences can play in fostering politicking, the evidences more strongly support that certain situations and culture, as discussed below, prevailing in UPSEB, promote politics. The declining resources and culture characterized by low trust, role ambiguity, unclear performance evaluation system, pseudo-democratic decision making, and self-serving senior managers have created fertile breeding grounds of politicking in the organization.

UPSEB at present is cutting back because of its consistent losses and hence reduction in resources are being made. Threatened with the loss of resources, people are engaging in political actions to safeguard what they have. Any changes, especially those that imply signify reallocation of resources within the organization stimulates conflict and increased politicking.

The low level of trust, in which both superiors and sub-ordinates think that the other "lot", along with his peers, is trying to exploit him, prevailing in the organization is spurring political behavior, and the political behavior coming to picture are mostly of illegitimate and excessive type.

Organization when formed was of highly formalized type with well definition of role of every individual, but, over the years the organization has lost its basic structure, because of various forces acting within and outside the organization, and have given rise to role ambiguity. Role ambiguity means that the prescribed behavior of the employees are not clear, and hence there are fewer limits to the scope and functions of the employee's political action, as these types of political activities are difficult in fixation.

Although the culture of UPSEB does not value participation but there is some pressure both from top and bottom over Engineers for democratic decision

making Such moves towards democracy, however, is not liked by engineers Many engineers sought their positions in order to have legitimate power so as to make unilateral decisions They have waited for long time to achieve such influential positions Sharing their power with others is against their desires The result is that engineers treat the required forums of democratic decision making in a superficial way and make them arena for maneuvering and manipulating Junior engineers and workers felt that during these democratic discussions, engineers try to make a number of boundaries and use these forums for politicking, as they are the ultimate decision makers

Finally, employees in UPSEB perceive the people at top are consistently engaged in political behavior, and in turn being successful and rewarded for it, thus creating a climate supporting politicking Politicking by top management in a sense, gives permission to those lower in the organization to play politics by implying that such behavior is acceptable

### **5.2.7 Conflict**

Conflict, a process that begins when one partly perceives that another party has negatively affected, or is about to affect, something that the first party cares about are prevalent in UPSEB

The first and foremost reason giving rise to conflict in UPSEB is the power based in hierarchical structure and corrosion of this power base due to organizational dynamics and politicking over the years The job in power plant, as stated earlier, is very technical and specialized, those “in authority” often do not know exactly what their people are doing and how they do it As a result they are more dependent on the employees The culture which exerts over-reliance on formal

authority with corroded base, in such conditions, is likely to alienate employees, and result in conflict within organization, where employees impugn the authority in unruly fashion

Another source of conflict in the organization is politics for horizontal promotion. Because of role stagnation, squeezing of resources and, lack of avenues for vertical promotion, employees are vying for horizontal promotion. Horizontal promotion includes transfers to critical areas of control in the organization and, grabbing the critical areas of others (as there is excessive of role ambiguity and lack of responsibility fixation), is causing excessive rise in conflict, in UPSEB, amongst peers

The dysfunctional result of conflict precipitating in the organization is causing retardation in communication, reduction in group cohesiveness, and subordination of organizational goals to the primacy of infighting between members. Uncontrolled conflict is breeding discontent in the organization, which is acting to dissolve common ties, and is leading to the destruction of the organization as a whole

#### **5.2.8 Communication and Information Sharing**

One factor in UPSEB which has contributed to the gap between employees and corporate objectives has been lack of formal communication systems within the organization for sharing the key information with workers, particularly with their elected representatives. This is prime cause of relationship between employee and management clouded with suspicion and distrust.

None of the employees of UPSEB is clear about the company's philosophy and policies, neither do they know about the goals of UPSEB as an organization. Thus the lack of formal system of communication and information sharing can be imagined. Because of feeling that their base of power is authority given



by their position, there are negligible amount of formal and informal meetings in the departments, and even if there are any, they are used for discussing power and politics and forming cliques, rather than being used for reviewing performance and information exchange

The top brass of the organization use only the formal channel of communication, that is, through hierarchies for receiving information. This presence of long chain for information exchange generally results in distortion of information in such a way so as to benefit the channel, rather than organization as a whole.

#### **5.2.9 Lack of Credibility of Management**

Because of increase of role ambiguity and lesser responsibility fixation, and increased level of politicking in day to day working of the organization, management has lost its total credibility in the eyes of its employees. There is an ever increasing amount of distrust amongst the peers and superior-subordinate relations and management is trying very little on its part to tackle it.

The management did try to solve the problems prevailing in the organization, but efforts undertaken were either half-hearted or mere copies of steps taken by other successful industrial undertaking without their feasibility in their organization.

The first of these methods was to implement motivators like group incentive scheme and recognition of working hands, but they tried to implement these without doing their homework of studying their core culture, which is more role oriented and based on distrust rather than participation and team-work, and hence were bound to fail.

Next in the series of steps taken was introduction of contract system of work. The former policy of organization supported each and every job done by in-house employees and hence large number of employees were selected for the same. Over the years due to increasing amount of distrust, contract system was introduced, which aggravated the problems even more. Now the employees have very small amount of work to do and hence there is increasing work dissatisfaction and distrust. The contract system also failed to achieve its objective because of lack of checks and formal quality control system.

Organization supplies uniform to its employees, but not a single employee can be ever seen wearing it. The scheme failed because culture of the organization supports status approach to authority rather than uniformity of its employees.

Thus we see how the culture of an organization gives rise to job dissatisfaction, absenteeism, alcoholism and feeling of distrust amongst its members and these shortcomings act simultaneously for the poor performance of the organization. Hence the organization which is possessing a very rigid type of culture, least conforming to changes, is struggling and waiting for some charismatic leader to take its helm and do some wonders.

## 6. DATA

After the literature survey, following salient features, defining and affecting the organizational culture were visualized. Unstructured questions, to extract information about these features were asked, along with the general observance was

- 1 Rituals
- 2 Norms
- 3 Shared beliefs and attitudes
- 4 Myths and stories
- 5 Selection procedure and practiced, during the visit to the selected plants norms
- 6 Training and development
- 7 Evaluation and reward system
- 8 Organizational structure, systems and procedures
- 9 Organizational dress code, symbolism etc
- 10 Procedures to inculcate culture
- 11 Group emphasis and level of intimacy
- 12 Control and approach towards authority
- 13 Risk tolerance
- 14 People focus
- 15 Approach towards professionalization
- 16 Opportunities for career development
- 17 Motivational / De-motivational strategies

18 Power and politics

19 Communication and information sharing

20 Credibility of management

Now the brief outline of the data collected during visit to plants is presented

## **6.1 UTTAR PRADESH STATE ELECTRICITY BOARD**

On the visit to the administrative block, to selected plant of Uttar Pradesh State Electricity Board, on very first day the peculiar timings of office was observed. There were separate timings for administrative office and plant. The timings, for office in the administrative block, is from 10 am to 1 p m in forenoon session, and 2 p m to 5 p m in afternoon session, but employees start coming only after 10 45 p m in morning and went back for lunch at 12 15 p m, again some of them returned after 3 30 p m (some did not return at all) and ended the day's work by 4 15 p m. The timings at plant were no exceptions, again there, the official timings were from 8 am to 1 p m and from 2 p m to 5 p m, but employees here too observed the same timings as their colleagues in administrative block.

The administrative block was a picture of filth, with stinking smell of urinals percolating the chambers of officers and stain of pan decorating every corner. In the chambers of officers, broken chairs laid in corners, tell the story of negligence. Attached to administrative was a small canteen which again picturizes the old saga of dirt and filth (there was one more canteen within the plant premises, of even worse condition). The sad tale of poor scrape management and poor cleanliness can be easily seen within the plant too. Talking to General manager of the plant, when this point was discussed, he retorted "Although I have done a lot since my posting, but spreading

filth has become a culture of people here. However hard I try to get the premises clean, I always face failure.”

One of the employees told the author that the General Manager has started a recent practice of going to the plant in the morning and gathering the first hand information about any problem. But one of the results, witnessed by author, was that in the forenoon session, when G M visited plant, people in the plant were very active, but on the other hand people in the administrative block just gossiped (mostly about the organizational politics). The scene just interchanged in the afternoon session, when the G M sits in his office in the administrative block.

In the office and plant, there was a high unpredictability that an officer, whom I planned to interview, will be ever found that day. Sometimes officers and workers did not visit office for weeks altogether, but always being present in the papers.

There was general over-staffing in every department, i.e. more number of employees (there were as many as 1800 employees in the plant producing just 274 MW). This overcrowding, generally resulted in, poor fixation of responsibility. Workers and officers, not able to understand the relevance of their posting, generally used to sit and gossip, or left the plant premises just after signing the attendance register. Thus when emergencies arose, if any, there was always shortage of manpower. Since the workers have defined and divided the responsibilities assigned to them, and hence whenever emergencies arose, officers were unable to persuade them to do jobs of others. From the officers, it was found that whenever such situation (emergency) arose, it meant overtime, and hence extra monetary benefit for the worker responsible for the job. This results in resistance from the worker responsible

for that position, against the participation of workers from other work sites. It is thus the unwritten code, developed over the time, aided by politics, by workers

When the author was talking to a group of workers in the coal handling division of the plant, he found that most of them were issued job-cards at nearly 10 30 am, but, since they were not closely supervised, they were not doing any job. They told that they will start working only when the junior engineer responsible will be present at the site, and overtime is guaranteed. Workers told that they generally avoid doing work in time as means loss to them, and whenever they finish job in time, it is only when they are closely supervised.

Talking to an Assistant Engineer in Electrical maintenance division, it was found that all the promotions in the company are seniority based and there is no formal award giving system. According to him, There is practically no recognition for good work. He again told that even though there is no recognition for good work, but company is ever-ready to set an inquiry committee whenever there is a loss, putting the level of risk taking to a bare minimum. He told that for taking every decision, whether it being his prerogative, he has to seek the permission of his boss. He told that although he has got many powers on paper, but he can not exert them without the support of seniors, and generally if the decisions does not match with the thinking of his boss, he has to backout, irrespective of how far has he proceeded. He loathed the poor coordination between the engineers within a department and across the departments, which is affected more by politics. He informed that there is undue interference of union leaders in even day to day working of departments. His workers, according to him, do not work without close supervision. There are also cases, which he could easily remember, when workers blackmailed him, to give overtime. He told

that he has not been given any formal training about the systems on which he is working ( he was an electronics engineer taking care of electrical machines division), and has learnt everything in due course of time through experience he told that he has been working on the same position for past ten years, and sees no hope of vertical promotion This stagnation, according to him, has caused lots of behavioral changes within him and most of his colleagues, and resulted in lots of competition among the peers for horizontal promotions He tried to switch over to a few more companies, but the bad name of his present organization has prevented him from being successful

Then I talked to another Assistant engineer in the control and instrumentation He told that there is lots of distrust among boss and subordinate, and the boss supports his subordinate decisions only when some of his selfish motives meet Again he blamed the workers of not realizing his position, and always ready to blackmail Whenever he tried to work hard, he informed, he became the article of ridicule within his peers He informed me that electrical maintenance division, and control and instrumentation division are thought to be places where least of corruption is possible, because the work in these divisions are precision work requiring certified contractors, unlike in other divisions like Turbine Maintenance Division, Boiler Maintenance Division, and Coal Handling Division, where anybody suiting to whims of engineer in-charge can become a contractor Thus, he informed, no engineer wants to stay in these two divisions, namely electrical maintenance division, and control and instrumentation division If an engineer is transferred in these two divisions, he confessed, utilizes every possible means, hook or crook to get out, only those without political clout remain back He told that boss in his company always tries to asserts his position, and throw his weight around every work They are forced to believe "Boss is

always right”, and are made to give refined polished and evasive answers for any problem. All other things which he talked of was mere repetition of what his colleague in electrical maintenance division told, and hence not worth mentioning.

Then I talked to three junior engineers in Boiler Maintenance division who told that they are the worst sufferer rank in Uttar Pradesh State Electricity Board. They felt that they do not have any powers in practice, and hence are exploited both by engineers and workers. Generally they are asked to attend the fault whenever it is diagnosed at odd hours with no compensation for the same. They felt that their boss used them as a weapon in politics whenever talking or getting work from workers. They told that even basic respect is not shown by young officers, who have become their boss and there is no question of respect from unruly workers. Workers, according to them, waited for every minutest instructions, and never worked on their own. They admitted that there is lot of corruption in their department, but asked “Where it is not?”

Then I talked to a junior engineer in Electrical maintenance Division. He told that he has been working in the same department for past 15 years, and is trying to go to distribution wing where people lived like “Maharaja”. Over the years, he has found that, honest people, like him, have been dumped in the useless places, and have become introvert. During interview he was either reluctant to talk about the system, working in his organization, or attacked it angrily.

Talking to an engineer of Coal Handling Division, it was found that a chain of corruption exists in the company from lowest and highest echelon, and one who tries to break it is thrown in a corner. His view about the subordinate and superior relation was the same as his peers in other divisions.



One thing peculiar, which I came across, was that, about 60 % of the engineers and junior engineers did not use the word that he was transferred or he was posted. Most of them got their posting at will, and took pride in telling that they had associations with such and such leader. I also found from the history of the organization that a person indulging in too much politics, has got sure shot chance of reaching the higher positions in the hierarchy. Again the feeling of most of juniors was that their boss was using them as scapegoat to meet his ends.

I had discussion with a few workers of Turbine Maintenance Division they told, the author, that have every right to misuse the system prevailing, since all of their seniors are doing the same. They told that, all of them have indulged in the activities of corruption at one stage or the other, at their own level they again informed that their boss never paid heed to their suggestions, howsoever good it may be, just because of their poor educational qualification, and so they have stopped giving the same.

Then I talked to an Assistant Engineer, who had left National Thermal Power Corporation to join Uttar Pradesh State Electricity Board. He was not able to come up with much of differences between the two organizations, as he had worked in National Thermal Power Corporation for just one month, although he repented his decision of leaving his earlier organization. His view about the power and politics, superior-subordinate relations, lot of red-tapism, conflict for horizontal promotions was similar to that of other Assistant Engineers.

Then I talked to an Assistant Engineer who had left Indian Telephone Industries, to join Uttar Pradesh State Electricity Board. He visualized a lot of differences between his earlier and present Organizations. His earlier organization,

according to him, was having a human face. His earlier organization gave incentives and awards at regular intervals, based on the performance of the individual or group. He saw his present organization as one, where, there is only distrust, and painted a gloomy picture of the same before me. He told that even when he is an Electronics Engineer, but he has been posted in Turbine Maintenance Division, Without any training. He told because of indifferent attitude of the boss and dull, inconsiderate subordinates, along with lots of politics prevailing in the organization, he is unable to work to his full capabilities. Again he told that organization has reduced his market value to a bare minimum, as there is hardly any demand for an electronics engineer with the experience in the mechanical maintenance, in private or other public sector enterprises.

Then I had a talk with an Executive Engineer who had graduated from Indian Institute of Technology, Bombay. He told that organization has killed all his enthusiasm for work. According to him, all the members of his organization try to extract as much as possible, through illegal means, without working for the good of the organization as a whole. He was once given a jeep, but since he could not find any utility for it, returned it back, and became an object of ridicule amongst his peers. He informed that the level of distrust is so much that even people going for official tours are not given the full reimbursement, which in turn, forms an vicious circle of bungling. Uttar Pradesh State Electricity Board, as informed by him, charges a large sum as electricity bill from its employees, even though they produce it (electricity is supplied free of cost in National Thermal Power Corporation townships).

Another Executive Engineer informed that there are many cases of workers coming with liquor at work-sites, but they were unable to do much in the

case Although engineers are provided with many powers on the paper, but because of excessive nexus of politics, in day to day working, it is very hard to exercise them

Another executive Engineer informed that the contract system of work was implemented to tackle the loss of work due to blackmailing by workers, but since the organization is role-oriented and sufficient amount of checks and counter-checks were not implemented, hence the vested interests of those awarding contracts came into picture. The engineer in charge awards contracts at his own will, without giving priority to experience of contractor and quality of work performed by him, and this resulted in the whole system proving to be a fiasco the whole organization.

A Superintending Engineer remembered that when he was an Executive Engineer, he came across a Primary Air Fan which used to vibrate when run at full speed and caused mill circuit failure. This failure used to result in disruption in coal supply to the furnace, and hence consumption of costly LDA (approx 30 Kilo Liter of LDA worth Rs 4 lakhs used to be consumed whenever problem arose). The problem was so intricate that German engineers were working on it for past 4 years, but could not find any solution. This engineer studied the problem, and solved it single handedly, but not even a single word of praise was passed from his seniors. Since the engineer was more involved in work rather than politics, so he could not get his due promotion the same year which killed his interest for putting further effort.

On talking to another Superintending Engineer, the author came across the fact that he underwent training in Total Quality Management in U S A. The Superintending Engineer told that after returning from training he did try to implement what he learnt during the training, but became an object of ridicule within the whole organization. He was posted within months in such a department where he could not

experiment his learnings. He also told that he tried several times to organize training programmes in Total Quality Management, but all his efforts have been thwarted because of the tepid response of his employees.

An Assistant Engineer, who had earlier worked with Nuclear Power Corporation Ltd, told that he tried to implement the system working in his earlier organization, and tried to shift the level of responsibility downwards. But workers generally abhorred these steps and just wanted step by step instruction for every work. He told that the power and politics, indifferent attitude of seniors and juniors, along with scores of red-tapism prevailing in the organization, has killed his zeal for work and implement innovative ideas.

Other few stories prevailing in the organization picture the level of distrust. A few years back, there used to be two Health Centers in the colony, one for officers and other for workers. Since workers thought that the medical facilities in officers colony are better than that given to them, so started agitation, which resulted in bitter fighting between the two. Now the two health centers are combined, but workers still are skeptical about the quality of facilities provided to them. Workers think that officers north of the plant so that no ash-dust can come there (in India no wind blows towards north), while their colony is made in such a position that dust falls in every season. There are three schools in the colony, one in officers colony, and rest two in workers colony. The school in officers colony is English medium and other two are in Hindi medium, emboldening the allegation of partiality. Workers think that officers are taking away better chunk of the facilities provided, while officers take workers as ever demanding.

A few years back management tried to recognize working hand and to give appreciation letters to employees doing exemplary work. But it again became the plethora of politics and nepotism, and failed to solve its purpose.

The management tried to cut short its man-power by introducing voluntary retirement scheme, but it had to be taken back as its best, real- working hands were first to opt for leaving the organization.

Management provides dress to all its employees, at regular interval, but no one was ever seen wearing it. None of the employees were observed wearing safety equipment like helmets etc.

There are different clubs for all the three categories of employees, viz , Engineers, Junior Engineers, and workers, but these clubs are more of a center for discussion of politics, rather than entertainment. These clubs sometimes organize some cultural activities without any support from members from other groups.

Talking to all the officers, it was felt that, they believed in keeping their subordinates at an arms length. They thought that their subordinates will become unruly and starting defying their orders otherwise. Again subordinates have negligible confidence about the technical soundness of their boss, and generally derived pleasure out of putting un-practical solutions for technical problems (or confusing their seniors). Nearly all the officers, interviewed during the visits, cherished the dream of being posted in distribution wing of the organization, where they will live life like a king, without any checks on their decisions( ethical or unethical).

## **6.2 NATIONAL THERMAL POWER CORPORATION**

After deciding to work on the chosen plant of National Thermal Power Corporation, I made arrangements to reach there. On reaching station, I saw a bus

waiting for NTPC's employees. The road connecting the railway station had road lights, which an employee informed, was put by National Thermal Power Corporation, and his organization supplied electricity to it. The administrative block, of the plant visited, was a nice building made of sandstone. The building was surrounded by spacious, and well maintained gardens. Attached to the building was a canteen and a bank. The office had sparkling floors and window panes, and the interiors of chambers of every officer was well decorated. While I was getting myself introduced to the Chief Personnel Manager, a waiter, in spotless white uniform, brought tea and snacks for me. Just after the formal introduction, the Chief Personnel Manager made every necessary arrangement for making my study possible, along with the arrangements for my stay. Although a lot of paperwork was involved in going through formalities, but I did not have to worry about them, and all the documents were ready for my sign within no time.

During the second day of my visit, I got the opportunity of attending a workshop on workers development. During the workshop, I saw that there was free and friendly chat between officers and workers. During the workshop, I noticed, workers were given ample liberty, to air their problems and point of dissatisfaction. One of the seniors officers of the corporation told me " This helps in better optimization in the process of constant evolution, under which we are at present ". There were mild and open conflicts during discussion, but it never exceeded the limit of politeness. The main focus of discussion, which I observed, was the analysis of, recently incepted, some deterioration in executive-worker relationship outside the plant( the main culprit found was television)

In National Thermal Power Corporation, it was noticed that even top officials were easily available to lowest rank. While one of the visits to Chief Personnel Manager, it was observed that even workers used to easily approach him regarding the grievances about his department, and they were encouraged by getting favorable reply. In Uttar Pradesh State Electricity Board, it was observed that outside every senior officer's chamber, a notice informing about meeting time i.e., 4 p.m. to 5 p.m., was put, but in National Thermal Power Corporation executives did not put any restriction on meeting time.

The plant, which I visited, was a clear example of cleanliness. All the equipments were painted and spotless. Even the floor of the plant was nicely cleaned. Some of the workers, when talked about the cleanliness, told that some of people have misconception that this amount is just because the plant is gas based. There are always usual leakage of oil and lubricant, they informed, but because of their continuous effort, not a speck of oil is visible on either machine or floor.

Corporation has made every effort to make its objectives clear to its employee, right from the first day after their recruitment. This has been reinforced through posters, communiqué by top officials printed in magazines etc. Even the lowest rank of workers were clear about the market-oriented approach of their oriented of their corporation. One of the worker, during interview asked, "Who will buy our electricity, if we quote exorbitant price for it?"

During one of many visits (Chief Personnel Manager used to discuss about the progress of my study regularly), I noticed that the head of department had meticulously defined, with the help of all the members of his department, the values to

be observed while working. A copy of those, defined values, could be easily observed, placed on the table of each and every employee of the department.

National Thermal Power Corporation has put emphasis on team building, as a part of working. Employees of a group try to reinforce these bonds of team by organizing several formal and informal get-togethers. Whenever an employee, while talking, used the word "we", it automatically meant the members of his group. National Thermal Power Corporation gives several group incentives to its employees. An incentive, which forms a large percentage of salary, is given to each and every employee of the unit. This is based on the Plant Load Factor of the plant. These incentives act as a spur to encourage improvement in the performance of the groups, and hence benefiting the corporation as a whole in return. The bonds of tie within a group were found to be so strong that it was impossible to find a person who spoke ill about it.

The promotions, in National Thermal Power Corporation, are performance based, rather than seniority based. Nearly all the employees, during interview, were found, having full faith on the fairness of the performance appraisal system, and blamed their bad stars for not getting a due promotion. Employees believed that no person, however he asserts his power through politics, will be able to get permission, unless he is competent enough for the same. Another unique thing about the performance appraisal system was that employees themselves had to quote their comment about the performance for the year, which formed the part of the Annual Confidential Report. This, according to most of employees, helped in reducing the traces of partiality to a bare minimum. Every employee thought a drop in promotion as a scourge on his career, and hence tried to put his maximum effort while working.



Since the performance of a group leader was judged by the performance of the group, hence he is encouraged to take sufficient pains in seeing that the set targets are met in time. During my visits, I witnessed that, whenever a problem arose, executive in charge used to go to the work-site, literally, with spanners and other tools. Whenever the situation demanded, the executives themselves did the job to set forth the examples before their subordinates.

National Thermal Power Corporation has designed a nearly fail-proof safety system. Latest of communication and safety equipments were made available to all its employees. Sufficient illumination has been provided all over the plant area. Executives conscious measures to set examples of using safety equipments on precautionary measure before their subordinates.

“National Thermal Power Corporation has one of the best training systems in India”, informed one of the senior executives. Latest methods of training are used for making the job clear to every employee responsible for that. Documents and books about each and every part of the plant, along with the technical details are available in each department. Executives are encouraged by their superiors to undergo self-study, for acquiring thorough knowledge about the plant.

National Thermal Power Corporation is basically a target-oriented organization. Employees, during interviews, told many stories about how they worked round the clock, without having any rest, to meet targets set forth. Some of them admitted that they have become so target oriented that it becomes hard to work even in their out of plant life (most of young executives have set targets of pursuing higher studies, through correspondence, at leisure). The organization, apart from having central planning department at corporate center, has Maintenance and Technical

Planning department in its every plant. The purpose of this department is to schedule the preventive and breakdown maintenance in such a manner for the optimum utilization of the plant. The groups, generally with the help of Maintenance and Technical Planning department, are encouraged to frame targets even for days and weeks, and work to achieve them.

National Thermal Power Corporation has designed a unique contract management system. Prior to award of any contract, every party is closely reviewed by a team of technical and financial experts, and only those parties having requisite technical expertise, quoting lowest price for tender, are awarded contract. The full payment to parties is made only after the quality assurance team gives an O.K. signal. The checks and counter-checks in contract management system make it nearly corruption free. One of the contractors told the author that executives of the organization did not believe in any compromise with the quality of the work. The contract system of work, which has been proved to be a total failure in Uttar Pradesh State Electricity Board, is quite successful in this organization. Employees told a few stories about how such and such contractor, who used to take most of contracts of Uttar Pradesh State Electricity Board, had to even forfeit even his security deposit, as he was not able to do work of required quality within the stipulated time.

National Thermal Power Corporation gives emphasis on the professional expertise of all its employees and takes steps to develop it. Employees, after being given pre-employment training in a particular field, are encouraged to become expert in the field. Corporation organizes advanced training for the individuals, for career development in the stipulated field. Employees up-to middle level, are generally,

kept in the same department in which he was placed after recruitment, however a few intradepartmental transfers are possible at higher levels

According to the most of employees, boss generally is a knowledgeable and initiative taking person. While sitting in control room of the plant one day, I witnessed a person of the rank of Senior Superintendent studying the parameters himself. After studying the parameters, the executive, in mild tone, explained to his subordinate about the serious repercussions of the parameters they were overlooking. People generally saw their superiors as supportive and friendly.

Employees of the organization are encouraged to take risk, within the subjected financial and technical boundaries, by their seniors. Management also encourages innovative ideas through employee suggestion scheme and other open calls for suggestions. Employees are encouraged to perform experiments. One of the supervisors of mechanical maintenance division showed me a machine, designed and fabricated by his group, for cleaning air filters. He told that as soon as basic formalities regarding the technical feasibility were over, they got fund sanctioned for the project. The machine, on operation, had some shortcomings, and he had full confidence that funds will be sanctioned for its improvement without delay.

Employees of all ranks, in National Thermal Power Corporation are encouraged to find work for themselves rather than doing only those jobs assigned to them. Except for a few workers in maintenance cell, who's work are primarily breakdown maintenance, no executive, supervisors or worker could be found sitting idle (for most of the interviews, author had to wait for time they took rest). Executives and supervisors of maintenance division are replete with stories that how they went to

inspect some site, even though it was not their job, and found such and such machine or instrument malfunctioning and saved lakhs of rupees of the corporation

Organization, it seems, has encouraged the appetite for learning within its employees. Some of the employees told stories about how they learnt to repair a machine from Japanese (most of the machines in the plant are Japanese) by just watching them working (according to them Japanese were too secretive about telling the things, and generally did the repair work in odd hours). A few of the executives and supervisors, during the interview, told that they are pressing for some expert training on gas turbines, as Japanese are still draining money from their corporation because of their ignorance in the field.

Executives of various departments, told the author, that they have a unique way of punishing employees. They generally place an employee where ever there is very little or no work with the motive of punishment. Employees who have grown in a highly task oriented culture, generally get fed up of these non-working positions within a few days, and come asking for pardon to their seniors. They also told that since they allocate ample amount of work and responsibilities to each one of their subordinates, so there is negligible chance of loafing.

Employees felt proud of their corporation and thought that it has provided them with ample technical and career satisfaction. They told author that they felt proud whenever they meet any outsider, who always praise their organization.

An executive, who joined National Thermal Power Corporation, after leaving Maharashtra State Electricity Board, told that his present organization is more task-oriented, while his earlier organization was role-oriented. He told that in National Thermal Power Corporation, the recognition of a person is on the quality of work,

rather than on the personal relations. He again asserted that his present organization has given him ample opportunity for career making. He informed that his present organization gives more importance to egalitarianism and cleanliness, than his earlier organization. According to him, team spirit and team work are an essence of National Thermal Power Corporation culture. During the work, he informed, suggestions of every team member, irrespective of his educational qualification, is given due weightage. He informed, organizational members give value to conflict, if it is good for team and achieving targets.

One of the union leaders, informed the author, that personal and administration department, gives every possible help in organizing meetings. The organization even provides them with paper and cyclostyle. According to him, the main fight between union and management and them is regarding salary, and apart from it, the relations are generally cordial. He informed that the executives of every department maintain personal level relations with their workers, and are always present to guide them in even out of plant problems.

Again a group of workers informed that executives generally maintain cordial relationship with them, and always saw their problems with the human face. They also informed that executives always set examples before them, before expecting any thing from them.

A new entrant, in the executive cadre of organization, told that from the first day itself they were encouraged to fix targets and work to meet them. According to him, he was encouraged to find work for himself, rather than relying on others. He was told from very beginning that it is only his professionalism which is

going to pay, rather than other round the way means He ranked the technical satisfaction of working with National Thermal Power Corporation as high as 90 %

A executive of rank Superintendent, who had joined National Thermal Power Corporation after working for a few years in National Fertilizers Ltd , told the author that his present organization gives him sufficient challenges in work, and he sees bright chance of making his career in the organization He told that his present organization has more professional approach towards work, and he gets more liberty in making decisions and implementing them He also informed about a unique thing in the organization, an employee may have to report even to his peers, but , according to him, it never hurt anybody's ego

Most of the executives, during the interview told that they believed in "our decision" rather than "my decision" They took decisions more as a consensus amongst his team members Whenever a problem arose, all the team members discussed about the tentative solutions, the best possible solution, arising out of discussion was implemented People are also encouraged to make their own decisions rather than looking at their seniors, whenever the situation demanded Every member of the group, irrespective of his rank, was answerable to the whole group, if he tries to implement illogical decisions the success or failure is always assigned to a group rather than to individuals Whenever there is any failure, whole of the group discusses about the probable reasons of failure, so that similar situation may not arise in future

National Thermal Power Corporation has a successful employee suggestion scheme, through which employees are encouraged to give suggestions, for the betterment of the organization as a whole People took pride in telling that improvement in such and such place or machine is as a result of their suggestions

Whenever there is any problem, which the group in charge is unable to solve, a open call for suggestions are given. Just a few days before the author visited the plant, a young executive informed, there was some problem in the compressor of one of the gas turbines, which the group responsible was unable to solve. A open call for suggestions was given, in which employees participated both as an individual and as a group, and several really nice suggestions were received, with the help of which the problem was rectified easily. Monetary awards, depending on the level of utility of the suggestions, were given to all participating employees.

The canteen located in the plant premises supplied snacks and meals to the employees at subsidized rates. During the working hours tea and snacks were supplied at regular intervals at working area. The employees were allowed to enter the canteen only during the fixed timings, after that the gate of canteen was locked. If any employee wanted to have tea, apart from those timings, can make phone call to the canteen, and a waiter used to come with the ordered items at the work place of the employee. This way employees were discouraged from wasting their time in canteen, over a cup of tea or coffee.

Employees, generally, tried to maintain good relations out of the plant. In the evening groups of executives, supervisors, and workers could be easily seen playing games together. It was witnessed that employees used to discuss their problems, regarding the work assigned to them, even after the plant, in mess, in club, and even during resting periods while playing.

## 7. DISCUSSION OF RESULTS

The high performance organization, as shown by this study, was marked by higher level of trust and lower level of distrust. The low performance organization on contrary, possesses lower level of trust and higher level of distrust. Here the word trust involves assured reliance of individual on others and his perception that others (that is, fellow workers) have also assured reliance on him. In addition trust includes trust of superiors in the subordinate in the superior as visualized by them. The symptoms of subordinates' trust in superiors includes perception of the subordinate that his superior allows him to work with a sense of confidence (as viewed by the subordinate).

The symptom of trust of the seniors in subordinates are loyalty, predictability, accessibility and availability. It means that the senior perceives that a subordinate is personally loyal to him, that his behavior can be predicted in different situations, that he is flexible in his approach and he is available to him even if not asked to do so. In general, individual level of trust involves a firm belief that the individual can put himself, his status, his career in other's hand whom he trusts with full confidence and knows that he will not be exploited deliberately or accidentally, consciously or unconsciously. This confident expectation at interpersonal level is two way process. It is not possible to maintain an individual level of trust if both the individuals are not extending their trust towards each other. In the light of this definition and explanation for individual trust, it is plausible that organization having



higher level of individual trust will perform better Specifically, individual trust which has the top rank, involves the following -

- Confidence in the words and action of the supervisor,
- Open-mindedness and accessibility of subordinates,
- Reliability and predictability of subordinates,
- Supervisor's confidence in their subordinates,
- Confidence in fellow-workers, and
- Self-confidence

Group level of trust involves measures related to consensus of opinion and ideas, and absence of destructive competition It means that members can sacrifice their personal opinion and ideas for the sake of group working Group level of trust was lower in high performing organization and can be explained by lower level of conflicting atmosphere or reduced level of employees' grievances and lack of labour unrest

Organizational trust involves the participants' perceptions of the opportunity to take risk and experiment It means that the members in the organization believe that there is full freedom to make innovations regarding the job even at the cost of some financial or other type of loss It was found that in the low performance, because of recurring losses, no opportunity was given for experiment, but in the high performing organization, sufficient opportunities were given to generate as well as implement innovative ideas

All the distrust measures were having high level in the low performing organization The high performing organization, on the other hand, had lower level of distrust Individual distrust embodies distrust in self, peers, superiors, and

subordinates Distrust in self and peers include perceptions of assured un-reliance, dis-credibility, malevolence, loss of confidence expectations and allied in self and peers Distrust in superiors involves perception of restrictions to do things with the loss of confidence of superiors, inconsistency in superior's behavior, threatening action of superior's, etc Distrust in subordinate involves perceptions of subordinates non-availability, disloyalty, unpredictability and inaccessibility In the light of this definition, the above findings of high values for distrust seems to be logical and rational

Group (divisional or departmental or work-team) level distrust refers to member's perception of intra-group destructive conflict This is evidenced by more employee grievances and unrest in the low performing organization Specifically, group distrust arises from the following -

- Prevalence of formal rules and procedures and impersonal relation in the department,
- Reluctance among workteam members to share their job knowledge with each other and sacrifice their personal viewpoints to arrive at consensus of opinion for solving a common problem,
- Interpersonal hostility and antagonism among workteam members,
- Suppression of original ideas and innovations,

Organizational distrust involves the participants' perception of restriction on risk taking and experimentation This factor was low in the low performing organization, while high in high performing organization

Another explanation for higher trust and higher distrust in high performing and low performing organizations respectively, can be explained from motivational angle

Trust is a significant motivating angle at work. When distrust prevails in the organization, people tend to be motivated from “the outside in”, and are only responsive to external pressures. Conversely, when there is a high level of trust in the organization, people are motivated from “the inside out”, and are to a large extent self-directed. In work settings where there is a high level of distrust, people are reproached and made to feel guilty about their mistakes. However in the climate where trust prevails, mistakes are regarded as learning opportunities rather than occasions for awarding punishment.

It is an important finding that the magnitude and impact of restraining forces (distrust) are higher than the magnitude of driving forces (trust). Therefore, it is of paramount importance to reduce these restraining forces.

Analysis of responses in diagnostic discussions provides some insight into this higher level of distrust in low performance unit. The prevalence of trust in an enterprise can be attributed to various factors including excellent working conditions, challenging work opportunity, ease of work, flexible organizational structure and higher level of promotional opportunities. The low performance unit had bureaucratic structure which encourages the distrust in many ways. Basic conviction of this structure is that the people cannot be trusted and if they cannot be trusted, they must be carefully watched. Accordingly, measures such as close supervision, managerial controls, guarding, security, etc., carry with them to some extent the implication of distrust. The formal leader is responsible for problem solving. Attempts are made to keep interaction on an impersonal basis because of the fear that “familiarity breeds contempt”. Formal rules and procedures rather than informality and spontaneous self-directed behavior are the characteristic model of action in the organization. It is

assumed that people cannot be trusted to make decisions for themselves and therefore, they should be directed and controlled. Distrust generates distrust and entire environment is perverted.

As shown through, Uttar Pradesh State Electricity Board has significantly more distrust than National Thermal Power Corporation. Perhaps this can be attributed to situational factors and some general demotivators prevailing in Uttar Pradesh State Electricity Board. The general demotivators obtained in Uttar Pradesh State Electricity Board include lack of consistency in management policies, lack of clear definition of responsibilities, inadequate communication, sloth and bureaucracy in management, attitudes of workers and unions, lack of firmness in personal policies and interference of local politicians. In Uttar Pradesh State Electricity Board, organizational processes have been initially distrust based. In general, there were attempts to deliberately distort information and engage in destructive conflicts to acquire advantages. Because of these tactics, the quality of decision suffered badly. Individuals communicated merely to protect themselves rather than accomplishing organizational goals. Excessive amount of control was exercised. In view of distrust, management by crisis and management by drive were the major approaches to management. This is a symptom of a breakdown of management involving confusion and incompetence.

The findings indicate that role stagnation significantly differentiates the low performance (Uttar Pradesh State Electricity Board) and high performance (National Thermal Power Corporation). The low performance unit has provided very less opportunity to their executives for career growth. This phenomenon led to a very high value of role stagnation and in turn negatively affecting productivity.

Situations of role ambiguity and role overload can be easily analyzed from the situations existing in these organizations. At least 60% of executives interviewed in low performing unit experienced role overload. During discussion with them they expressed the feeling that they could not finish work within the time schedule and the quality of work also suffered because of this. This happened in the absence of role integration. In low performance organization, there existed lack of enough information available to executives in relation to executives' responsibility, this in turn gave rise to breeding ground for illegitimate politicking. Most of executives did not know about the expectation of their boss with them. They also expressed that they are exposed to frequent changes in demands, and expectations of their boss regarding their role kept changing. In high performing organization (National Thermal Power Corporation) there was no role ambiguity and jobs and targets were clearly defined and whenever changes took place the executives had involvement in the change processes and expectation of their boss was clearly understood by them and they were operating on management by objectives principles. The role ambiguity caused depressed mode, lowered self-esteem, job dissatisfaction, high job-related tension and low motivation to work and on totality making negative effect on the productivity of the organization.

## **7.2 Shortcomings of the Study**

It would be plausible to explain conditions of this study that limits the extent of legitimate generalization. As stated herein, there are inherent shortcomings of various nature that might have influenced the study.

### **7.2.1 Observer Bias**

The methodologies used in the study viz., interview and observation, allows for greater flexibilities, which are their chief advantage. Although observer tried

to remain objective and avoid communicating his personal views, however, too much personal involvement of observer/interviewer may have left room for personal influence and bias of observer/interviewer. This lack of standardization in the data-collection process may have included the biases of the observer and contaminated data.

#### 7.2.2 Lack of Anonymity

The methods used in data-collection lack anonymity, which typical survey or questionnaire method provide. The observer knew the name, addresses and designation of its respondents, thus the respondents may have felt threatened or intimidated by the interviewer, especially when the topic or some of the questions are of sensitive nature.

#### 7.2.3 Inadequacy of Data

The findings of this study might lack generalizability due to its weaknesses - inadequacy of data and samples. The finding of one state and one center owned enterprise are limited and cannot be generalized to their respective populations. With the inclusion of different types of organizations (varied regions or industry, different functional groups) based on random samples, the findings may be quite different.

#### 7.2.4 The Nature of functional Relationships and Intervening Measure

There are numerous determinants of organizational performance in addition to behavioral determinants, for example, technological, financial and similar others. Among behavioral determinants also, only some of them were studied. Though effort was made to compare the representative units, but the units selected varied a lot in levels of technology, size and manpower requirement, hence, the interactive effect of these along with other background characteristic might have influenced the

relationships and obtained results. These relationships are likely to vanish or intensify if the effect of these interactive variables is removed.

The study does not indicate “cause-effect” relationships. For example, at an intuitive level it can be held that trust improves employee and organizational performance and distrust hampers it. However, in the absence of evidence that organizational/employee performance did not precede trust and distrust in time, and that other factors did not determine organizational performance, it is not possible to infer that trust and distrust, as causal variables, have improved or hampered it. Indeed, it can be equally true that high performance leads to high trust, while low performance causes low trust.

#### 7.2.5 Accuracy and Dependability of Perceived Data

The data used in the present study consists of perceived (interpretive) material collected from respondents who differ, besides sub-cultural differences, in many crucial characteristics such as personality, levels and nature of education, organizational levels, socio-economic status, etc. This divergence in background characteristics might have caused perceptual divergence in questions being asked and thus may have affected to some extent the accuracy and dependability of data.

Therefore, the perceived data used in writing case study must be viewed with circumspection and appropriate regard for sampling methods and human frailties.

### 7.3 Implications of the Study

#### 7.3.1 Implications for Practicing Behavioral Scientists, Educationists and Managers

Notwithstanding the above limitations, the present study has immense implication for practicing behavioral scientists, educationists, and managers of the organization on which studies were performed.

- I The study supports the current applications of behavioral science, especially the Management By Trust approach and related interventions to improve performance of an organization. It shows that trust plays a crucial role in determining the organizational performance. Organization equipped with greater amounts of these desirable behavioral factors has better performance records.
- II The study provides adequate understanding of the behavioral factors prevailing in two organizations, and with the help of this study, the management of the studied organizations may take appropriate measures to control the performance of their employees. In the absence of this diagnostic understanding, it may only be possible to use experience-based knowledge, which may be sometimes be fallacious and cause immense spiraling loss to the enterprise. Based on the present study along with intervention techniques, the management of the loss giving organization may make concerted effort to improve the organizational performance.
- III This study also tells that there should be induction of new theories in management education programmes, specifically Management By trust concept, which have been developed, tested and also adequately in Indian context by present study.

### 7.3.2 Suggestion for Future Researchers

Based on the findings of this study, several questions have come up which remain unanswered and problems unresolved. This suggests that there is a wide scope for further studies on related topics. Some suggestions for future researchers are given below.

- I Future researcher may take the same two organizations, this time taking the plants using similar type of technology, having similar no. of employees and having same distance from the nearest town, conduct similar observation there and study



whether there is still dissimilarity in the culture of the two organizations. Ideal site for conducting this study will be power-plants surrounding the Rihand dam.

- II The relationship studied herein did not consider the intervening measures. Therefore the future researcher may consider the effect of these attributes or common interactive influences and remove them from the study. These common interactive influences could be due to characteristics such as age, experience, pay, education, personality and allied factors, not considered in the present study.
- III The future researchers may also use other methods, rather than observational and interview method to remove the negative effect of these methods, for collection of behavioral data relating to trust, distrust, leadership and managerial orientation, to determine relationships among them across high and low performance organization and their efficacy in differentiating them.
- IV An experimental design can be developed to find out an adequate evidence to infer causal relationships among trust, distrust, and leadership style as well as to ascertain their composite and independent contributions to organizational performance.
- V The relationships found in this study should be cross checked by conducting further studies in organizational settings of varying sizes to ascertain whether these relationships can be generalized to other organizational settings in India.

## 8. CONCLUSION

After going through this thesis one would have developed in-depth knowledge about certain specific behavioral determinants, for example, leadership, trust, distrust, organizational role stress variables, and relationship among these determinants, and interrelationship with organizational culture and significant role of these in influencing and enhancing individual, group and organizational performance

The question arises, is this knowledge on behavioral aspects the only factor to improve organizational performance? The answer is explicit “no” in actual practice it is found that most practitioners tend to focus on the cultural and behavioral aspects, and merely paying lip service to technological and administrative systems. Accordingly, the apparent focus of this thesis has been on changing the culture or improving the climate in an organization, on increasing the effectiveness of its internal processes through means of leadership, trust / distrust, and leadership variables

In reality a change in the technology used in the flow of work, organizational structure, policies, procedures and management processes like management by objectives, budgetary control, computerization, etc are also very important in increasing individual and organizational effectiveness

Organization consists of technical system consisting of technology, flow of work, task, skills, etc, managerial/administrative system consisting of organizational structure, policies, procedures, rewards /punishments, management processes, etc, and personal cultural system consisting of values, norms, beliefs, leadership skills, informal systems and motivational aspects. The interaction of these sub-systems produces

behavioral role relationship which in turn influences output and performance and satisfaction

Organizational culture represents the current condition of the internal state of the organization and is an intervening variable, for example, between leadership style and employee performance or satisfaction. For long term effectiveness of the organization, culture has to be addressed and made healthy and strong. Though technology and management systems are important but, when the culture of an organization is conducive for coping up with the changes, adoption of new technology and improved management systems are automatically achieved. In a healthy and strong culture core values are both intensively held and shared by the organization's members which increases behavioral consistency, thus substituting formalization.

Where management/administrative systems, talk about high formalization of rules, regulations, policies and procedures, they talk of regulating employee behavior. High formalization in an organization creates predictability, orderliness and consistency. A strong culture has impact on behavior and it achieves same results without need of documentation. The objectives of management system can, therefore, be easily achieved through a healthy and strong culture. Employees internalize these changes when they accept the organization's culture.

Point being made here is that even the objectives of managerial /administrative systems can be easily achieved with less management effort. Similarly, when organization culture is strong and conducive for accepting changes and moving towards boundary-less behavior, perfection in technical systems, namely, innovation in technology, absorption of new technological skills, etc , becomes an ongoing process.

and effective management of business environment is speedily achieved through a cultural revolution

Three systems - technical, managerial and cultural systems - are interdependent and interacting. It is the "shared meaning" aspect of culture that makes it such a potent device for guiding and shaping behavior and organizational performance. Development of healthy and strong organizational culture is of utmost significance.

The organizational culture can be diagnosed by interviews and questionnaires. After surveying the culture through these methods, organizational development interventions can be designed based on the knowledge, and all the interventions can be taken up simultaneously. The climate and performance of the enterprise can be considerably improved using this approach. The models developed through the study can accelerate the building of highly trustful culture and de-accelerate and reduce the presence of distrustful and highly stressful cultures. Development of leadership skills is also necessary. Results of studies provide suggestions for predicting and modifying managerial behavior for improving organizational culture. Healthy and strong culture in turn would substantially improve organizational performance and employee satisfaction.

Conclusively, this analysis implies that healthy organizational culture is an all inclusive determinant of organizational performance. It provides an argumentative environment in which men, materials, money, physical resources and technology grow to their fuller extents. Conversely, in an unhealthy organizational culture, the above physical and human resources including technology may have immense leakage and fail to blossom to their optimal extents. Thus, the explicit answer

“no” virtually turns to be “yes” Indeed it is behavioral side of the management which deserves utmost care and nurture Thus overemphasis on behavioral aspects of management, which was not catching the attention of the management world till the birth of “Human Side of Enterprise”, is a natural outcome of behavioral depression in industry The sun of the behavioral approach, to resolve the management problem through cultural development, is rising in the industrial horizon However, Many managers are still sleeping This thesis forms an alarm signal to wake them and direct them towards the path of harmonizing work organizations This will lead to all around excellence - human, managerial and organizational

# APPENDIXES

## APPENDIX-I

### QUESTIONNAIRE - I

This questionnaire is intended to bring forth the 'true' picture of organization in the mind, opinion and feelings of those who work with the organization

- 1 I keep my superiors informed about different aspects my work in view of confidence in his work and actions
- 2 In meetings of my department, members put their maximum of energy into getting a project moving rather than wasting it with a hidden agenda embodying personal issue
- 3 My company treats all its people on impartial and equitable basis
- 4 My subordinates consider their personal work more important than that of mine (i e they are not available to me even when I ask them to do so
- 5 There prevail formal rules and procedures and impersonal relations ( rather than informal and spontaneous and intimate relations ) for fear of indiscipline in my department
- 6 My company has dark future unless it attracts and holds trust-worthy people
- 7 My sub-ordinates are open-minded and accessible to me ( i e they accept my ideas easily and give them freely and spontaneously)
- 8 If an individual in my work-team faces difficulty at work, other members come forward to help him

- 9 There prevails a philosophy to take corrective action (or consider mistake a opportunity to learn rather than a chance for rejection and criticism)in my company
- 10 I keep a distance from my fellow-workers ( or peers ) because of their malafide intentions
- 11 Members of my work team are reluctant to share their job knowledge with each other
- 12 The management of my company lacks confidence to make good decisions for improving its future prospects
- 13 I can put everything I have (i e status, career, self-esteem etc )in my fellow workers' and /or peers' hands with confidence that they will not exploit me
- 14 Favorable attitudes (or sentiments ) and interactions among members of my work team generate trust and confidence for performing a work effectively
- 15 There is an opportunity for suggesting new ideas and /or inventing new things in my company
- 16 My fellow workers / peers can take advantage from me, if I place a faith in them
- 17 Members of my work team are reluctant to sacrifice their personal viewpoints to arrive at a consensus of opinion (or a joint decision ) for solving a common problem
- 18 The management and union(s) of my company indulge in destructive conflict and attempt to damage each other
- 19 I can rely on my fellow-workers / peers to tell the truth, they see it and behave according to moral standards

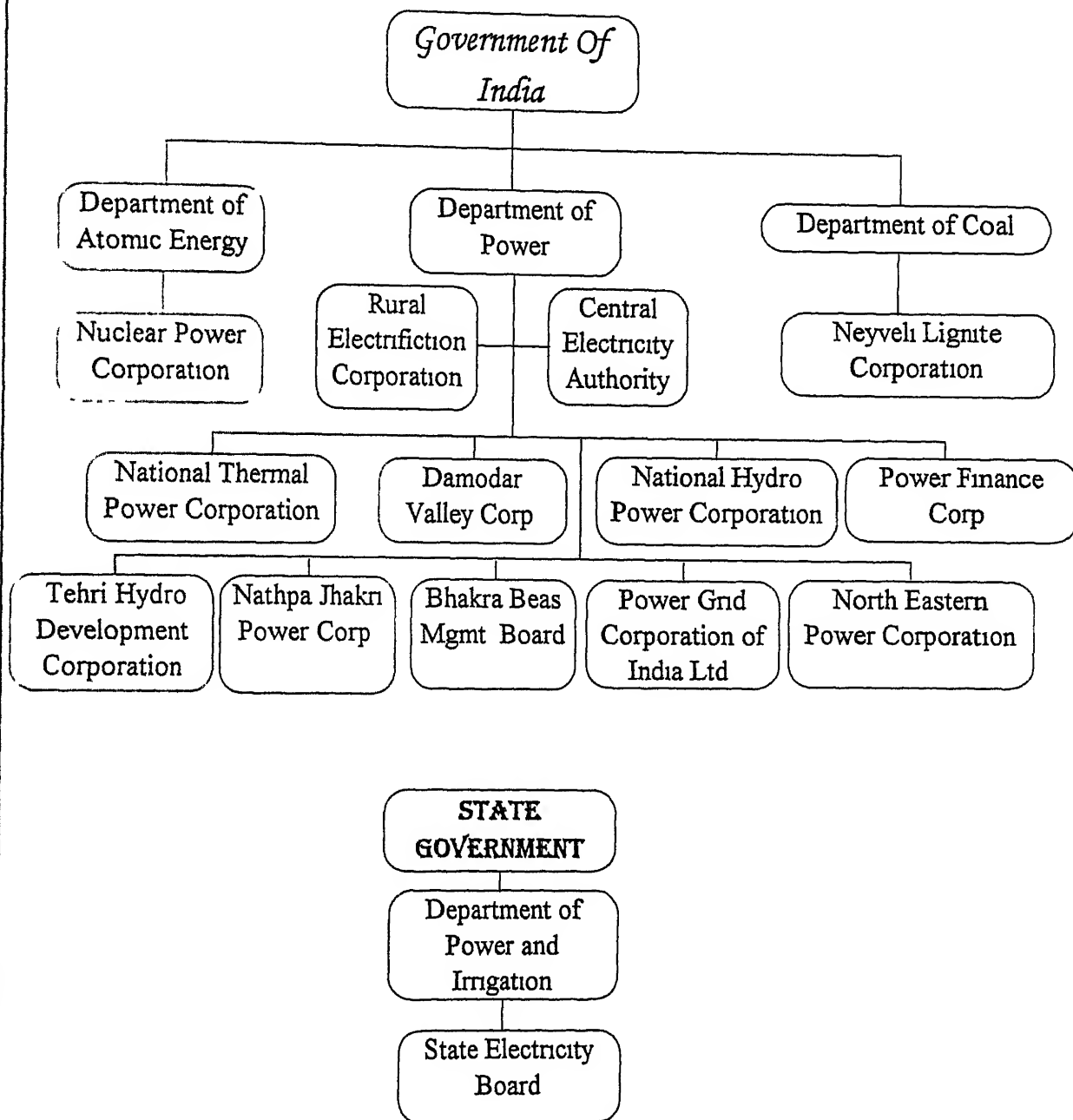


- 20 Work-team in my department have mutual co-operation and support arising from trust and confidence
- 21 My company encourages its people to try out new methods and technique of work according to their own choices
- 22 My sub-ordinates are unfaithful to their vows and obligations
- 23 Members of my work-team report stealthily to superior against each other in view of their interpersonal hostility and antagonism
- 24 Several informal organizations (or cliques ) are working in my company to oppose its formal (official ) goals
- 25 I have as much self-confidence and trust as most of my fellow workers / peers
- 26 Members of my work team voluntarily comply with its norms in view of their faith and loyalty
- 27 In my company , people are self-motivated to perform a work effectively in view of their confidence in it
- 28 I cannot trust my superiors because he is inconsistent and unpredictable
- 29 My work-team suppresses original ideas and innovations of its members and encourages conformity
- 30 Nobody can rely on my company for a fair dealing
- 31 I can rely an my fellow-workers/peers for help and support to solve a problem
- 32 In my department, conflict is managed in a way that constructive rather than destructive results are achieved
- 33 My company promotes trusting relations among its people at different levels and departments

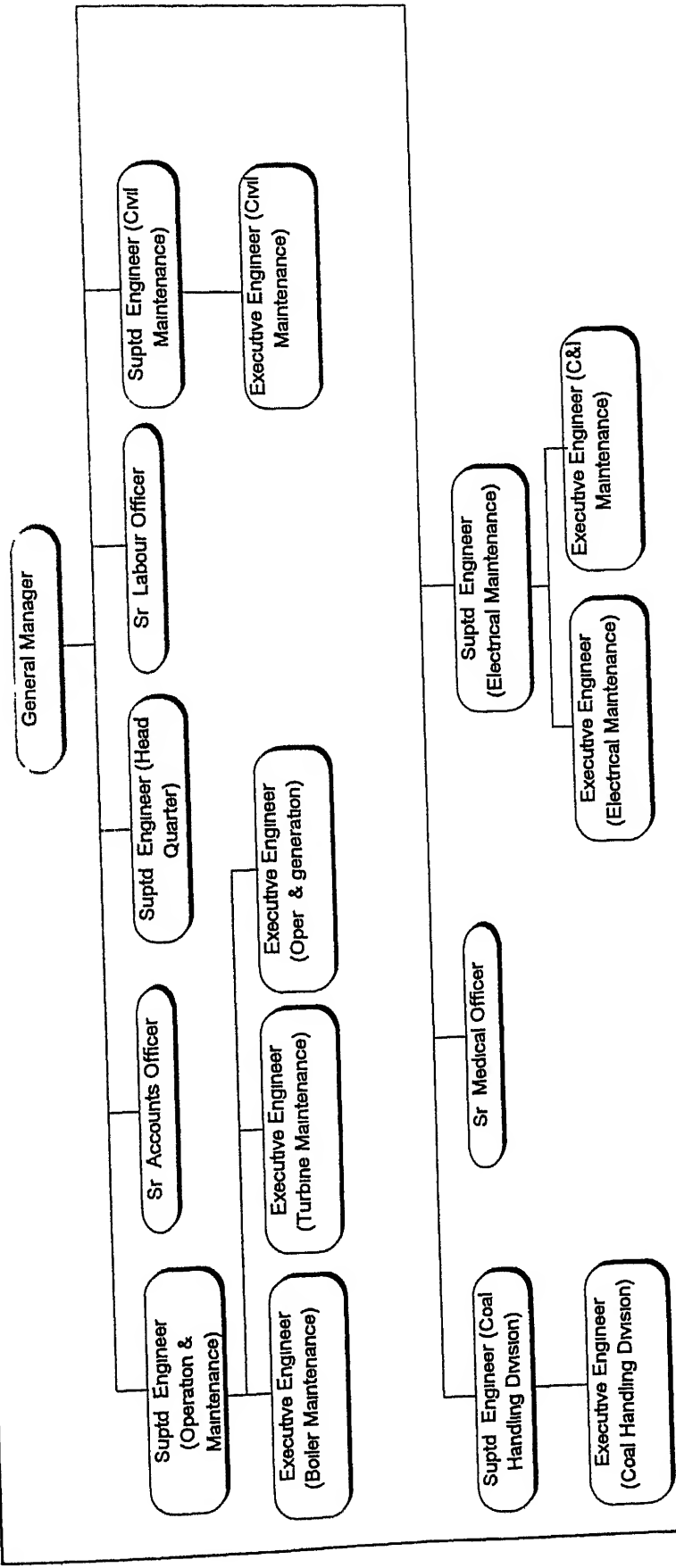
- 34 I work under a great deal of tensions and anxiety in view of my own lack of self-confidence and trust
- 35 Work-teams in my department attempt to harm each other in view of severe competition and rivalry stemming from lack of mutual trust and confidence
- 36 In view of dis-trust among people, upward communication gets distorted in my company
- 37 My sub-ordinates are reliable and predictable (i e they solve their problems with good judgment and thoroughness so that I can justify their decisions )
- 38 Members of my work-team have a desire to remain in it
- 39 There is a feeling among the people in my company that they can attain their goals to the extent they contribute towards the fulfillment of organizational and departmental goals
- 40 I cannot rely on my superiors for a fair and impartial treatment
- 41 Members of my work-group indulge in destructive competition with each other
- 42 There is all-round distrust in my company because of its “ divide and rule “ policy
- 43 My superior allow my group to perform the work with a sense of confidence, freedom, and support
- 44 My work-team warmly accepts all its members and promotes their all-round development
- 45 My company is sincere in its attempt to satisfy the needs of its people
- 46 My fellow-workers/peers can indulge in immoral activities (i e telling a lie, cheating etc ) to serve their self-interests

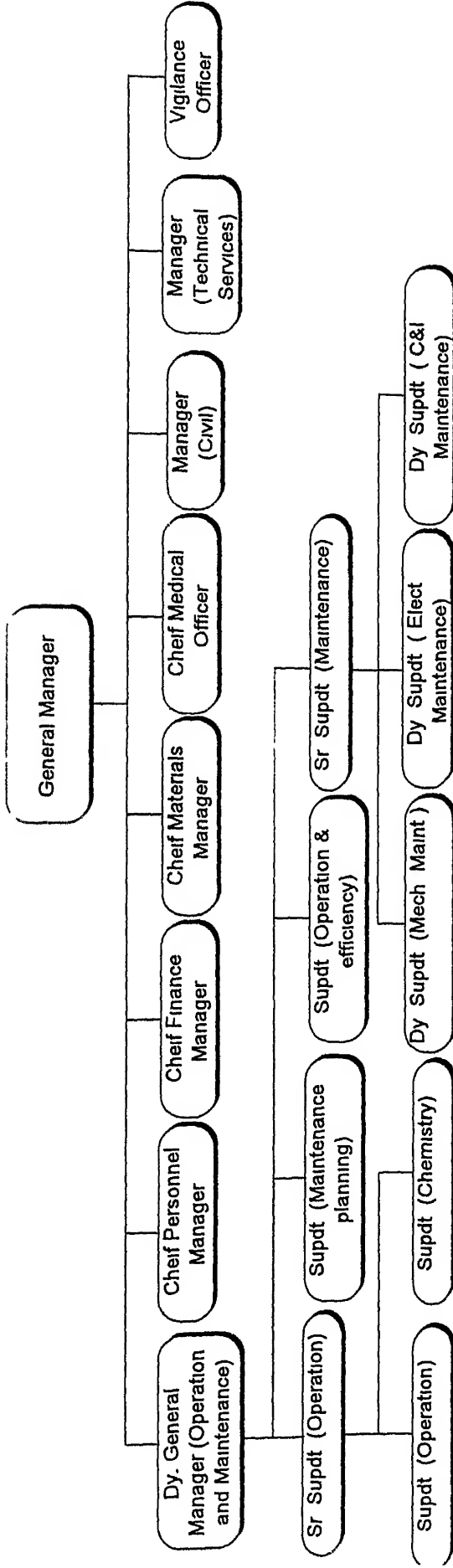
- 47 In group meetings, members of my department raise numerous opinions rather than a broader viewpoint
- 48 My company insists on close-supervision and external control rather than general supervision and self-control in view of distrust in its people

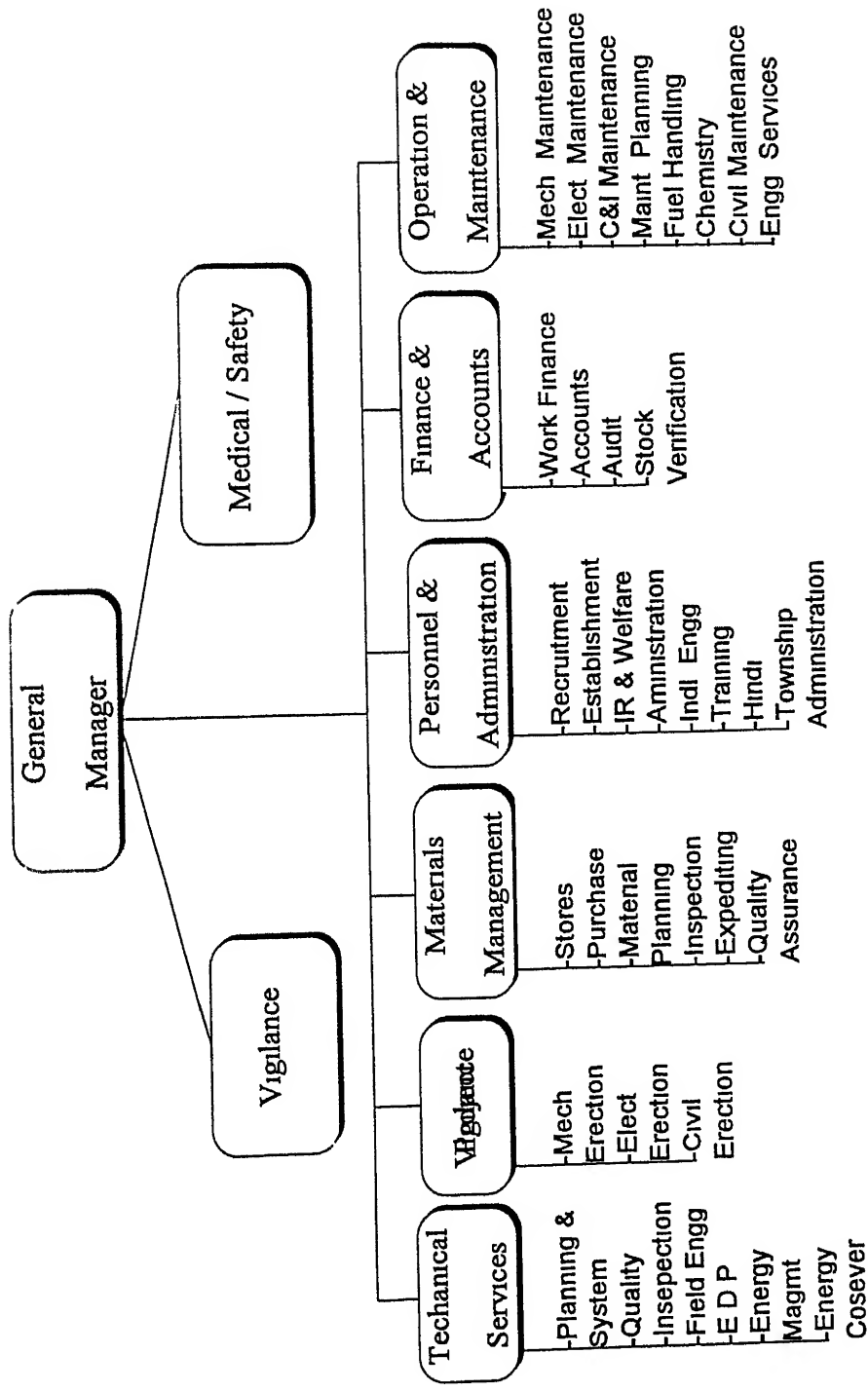
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**POWER-SECTOR SET-UP**







# APPENDIX-6

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